
Hughes Hubbard & Reed

FTC Announces New Thresholds

Client Advisories

Hughes Hubbard & Reed LLP • A New York Limited Liability Partnership
One Battery Park Plaza • New York, New York 10004-1482 • +1 (212) 837-6000

Attorney advertising. Readers are advised that prior results do not guarantee a similar outcome. No aspect of this advertisement has been approved by the Supreme Court of New Jersey. For information regarding the selection process of awards, please visit <https://www.hugheshubbard.com/legal-notices-methodologies>.

January 30, 2019 - On January 28, the FTC announced the adjusted HSR reportability thresholds for 2020. The new thresholds become effective on February 27, and will apply to all transactions that close on or after that date.

Once the new thresholds go into effect, the size-of-transaction threshold for HSR filings will increase to \$94 million, up from last year's threshold of \$90 million. Transactions valued at \$94 million or less will not require an HSR filing.

The thresholds for the HSR size-of-parties test also will increase this year. This test applies when a transaction exceeds the size-of-transaction threshold (soon to be \$94 million), but still falls below a higher threshold amount. This year the higher threshold amount will increase from \$359.9 million to \$376 million. Under the new thresholds, transactions with a value of more than \$94 million but not more than \$376 million will be subject to the size-of-parties test. Transactions falling in that range will not require a filing unless one party has sales or assets of at least \$188 million, and the other party has sales or assets of at least \$18.8 million. For transactions valued at more than \$376 million, the filing requirement applies without regard to the size of the parties.

Additionally, the FTC has revised the thresholds for evaluating interlocking directorates, effective January 21, 2020. In certain cases, Section 8 of the Clayton Act prohibits one person from serving simultaneously as an officer or director of two competing companies, if the companies have aggregate capital, surplus, and undivided profits of more than \$38,204,000 (up from \$36,564,000). A de minimis exception applies if the competitive sales of either corporation fall below a threshold of \$3,820,400 (up from \$3,656,400).

Related People



William J. Kolasky



Robert B. Bell



Philip A. Giordano

Related Areas of Focus

Antitrust & Competition