

Insights: Alerts

FTC Updates Merger Notification Thresholds and Fees

January 24, 2024

Written by **Christina E. Fahmy**

On January 22, 2024, the Federal Trade Commission (FTC) announced its annual update to the dollar thresholds for merger filings required by the Hart-Scott-Rodino Antitrust Improvements Act (HSR Act), along with new filing fees for merger notification filings.

Generally, whether a transaction is subject to HSR reporting requirements depends on three tests: (1) the in-commerce test; (2) the size-of-transaction test; and (3) the size-of-persons test, with a few exceptions and exemptions. Parties to a transaction that meets the threshold criteria under these tests must report the transaction to the federal antitrust enforcement agencies and then observe a waiting period to enable the government to analyze the deal's competitive effects.

Reporting Thresholds

Changes to the Size-of-Transaction Thresholds: A transaction satisfies the reporting threshold under the size-of-transaction test if, through the transaction, the acquiring party would obtain voting securities or assets of another party having a value that exceeds the threshold amount.

- The recent adjustment to the reporting threshold increases the minimum amount of the deal value from \$111.4 million to \$119.5 million. Where the deal value exceeds \$119.5 million and the size-of-persons and in-commerce tests are met, the parties would need to notify the transaction.
- The agency also has a separate threshold for larger deals. Deals worth \$478 million or more require notification regardless of whether the size-of-person thresholds are met, unless an exemption applies. Information about exemptions is available [here](#). This threshold means that the agency will be notified of large deals involving smaller targets.

Changes to the Size-of-Persons Thresholds: The new adjustments have also increased the thresholds under this test. A transaction will satisfy the size-of-persons test if one party to the transaction has annual net sales or total assets equal to or exceeding \$23.9 million, and the other party to the transaction has annual net sales or total assets equal to or exceeding \$239 million. In calculating whether a transaction must be reported under this test, the annual net sales and total sales will be based on a party's most recent regularly prepared balance sheet.

HSR Filing Fees

The Federal Trade Commission is required to reevaluate the fee schedule annually and adjust if necessary. The agency adjusts the filing fee thresholds based on the percentage change in the GNP for such fiscal year compared to the GNP for the year ending September 30, 2022. The agency adjusts the filing fees based on the percentage increase, if any, in the Consumer Price Index.

The new transaction values and filing fees are as follows:

- Less than \$173.3 million – \$30,000
- At or above \$173.3 million and less than \$536.5 million – \$100,000
- At or above \$536.5 million and less than \$1.073 billion – \$250,000
- At or above \$1.073 billion and less than \$2.146 billion – \$400,000
- At or above \$2.146 billion and less than \$5.365 billion – \$800,000
- At or above \$5.365 billion – \$2.25 million

The above changes will go into effect on or before February 23, 2024.

Related People



Christina E. Fahmy

t 202.508.5834

cfahmy@ktslaw.com