

February 5, 2024

Hart-Scott-Rodino and Clayton Act Section 8 Thresholds for 2024

The Federal Trade Commission (FTC) has revised the jurisdictional and filing fee thresholds of the Hart-Scott-Rodino Antitrust Improvements (HSR) Act of 1976 and the Premerger Notification Rules based on changes in the gross national product (GNP) as required by the 2000 amendments to the HSR Act. The filing thresholds and fees will increase as a result of the increase in the GNP and will apply to transactions that close on or after March 6, 2024. These threshold and filing fee adjustments occur annually and do not alter the current HSR filing process.

The HSR Act requires parties intending to merge or to acquire assets, voting securities or certain non-corporate interests to notify the FTC and the Antitrust Division of the Department of Justice and to observe certain waiting periods before consummating the acquisition. Notification and Report Forms must be submitted by the parties to a transaction if both the (1) size of transaction and (2) size of parties thresholds are met, unless an exemption applies.

1. Size of Transaction

The minimum size of transaction threshold, effective as of March 6, 2024, is \$119.5 million. This is an increase from the 2023 threshold of \$111.4 million.

2. Size of Parties

The size of parties threshold is inapplicable if the value of the transaction exceeds \$478 million (\$445.5 million in 2023). For transactions with a value between \$119.5 million and \$478 million, the size of parties threshold must be met and will be satisfied in one of the following three ways:

	I	II	III
<i>Acquiring Person:</i>	\$239 million annual net sales or total assets	\$239 million annual net sales or total assets	\$23.9 million annual net sales or total assets
	and	and	and
<i>Acquired Person:</i>	\$23.9 million total assets	a manufacturer with \$23.9 million annual net sales or total assets	\$239 million annual net sales or total assets

The various jurisdictional thresholds, notification thresholds, filing fee thresholds and thresholds applicable to certain exemptions will also increase, as summarized in Appendix A to this memorandum.

3. Filing Fees

On December 29, 2022, the President signed into law H.R. 2617, the [Consolidated Appropriations Act, 2023](#), which included the Merger Filing Fee Modernization Act. This Act required the FTC to revise the filing fees and the filing fee thresholds annually. For all filings made on or after March 6, 2024, the new HSR filing fees will be as follows:

2024 Adjusted Filing Fee	Size of Transaction
\$30,000	More than \$119.5 million, but less than \$173.3 million
\$105,000	not less than \$173.3 million, but less than \$536.5 million
\$260,000	not less than \$536.5 million, but less than \$1.073 billion
\$415,000	not less than \$1.073 billion, but less than \$2.146 billion
\$830,000	not less than \$2.146 billion, but less than \$5.365 billion
\$2,335,000	\$5.365 billion or more

The above thresholds and fees will continue to adjust annually.

The FTC also announced the maximum civil penalty for HSR Act violations, raising the amount from \$50,120 per day to \$51,744 per day, effective as of January 10, 2024.

Finally, the FTC has increased, effective January 22, 2024, the thresholds that prohibit, with certain exceptions, competitor companies from having interlocking relationships among their directors or officers under Section 8 of the Clayton Act. Section 8 provides that no person shall, at the same time, serve as a director or officer in any two corporations that are competitors, such that elimination of competition by agreement between them would constitute a violation of the antitrust laws. There are several “safe harbors” which render the prohibition inapplicable under certain circumstances, such as when the size of the corporations, or the size and degree of competitive sales between them, are below certain dollar thresholds. Competitor corporations are now subject to Section 8 if each one has capital, surplus and undivided profits aggregating more than \$48,559,000, although no corporation is covered if the competitive sales of either corporation are less than \$4,855,900. Even when the dollar thresholds are exceeded, other exceptions preventing the applicability of Section 8 may be available. In particular, if the competitive sales of either corporation are less than 2% of that corporation’s total sales, or less than 4% of each corporation’s total sales, the interlock is exempt. In addition, Section 8 provides a one-year grace period for an individual to resolve an interlock issue that arises as a result of an intervening event, such as a change in the capital, surplus and undivided profits or entry into new markets.

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This memorandum is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this memorandum should be directed to:

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Appendix A

Summary of Revised Jurisdictional Thresholds of the HSR Act and Rules

Relevant Section of HSR Act or Rules	Original Thresholds	2023 Thresholds	2024 Thresholds
§ 7A(a)(2)(A) size of transaction test	\$200 million	\$445.5 million	\$478 million
§ 7A(a)(2)(B)(i) size of transaction test	\$50 million	\$111.4 million	\$119.5 million
§ 7A(a)(2)(B)(ii) size of parties test	\$10 million	\$22.3 million	\$23.9 million
§ 7A(a)(2)(B)(ii) size of parties test	\$100 million	\$222.7 million	\$239 million
Thresholds and limitation values in the Rules (16 C.F.R. Parts 801-803)*	\$10 million \$50 million \$100 million \$110 million \$200 million \$500 million \$1 billion	\$22.3 million \$111.4 million \$222.7 million \$245 million \$445.5 million \$1.1137 billion \$2.2274 billion	\$23.9 million \$119.5 million \$239 million \$262.9 million \$478 million \$1.195 billion \$2.39 billion

* The \$200 million and \$500 million limitations set forth in Rule 802.3 for acquisitions of certain carbon-based mineral reserves remain unchanged.