

PUBLICATION

Annual Update to HSR Pre-Merger Notification Filing Thresholds for 2022

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January 25, 2022

The Federal Trade Commission (FTC) announced on January 24, 2022 the annual changes to the Hart-Scott-Rodino (HSR) Act notification thresholds. The FTC is required by law to revise the jurisdictional thresholds annually based on the change in gross national product (GNP). Accordingly, the 2022 HSR reporting thresholds will increase approximately nine percent, reflecting the increase in the GNP during 2021.

The FTC published the changes in the [Federal Register](#), and they will become effective 30 days after publication on February 23, 2022. The application of the HSR filing thresholds to transactions requires a thorough understanding of the statute and the complex implementing regulations.

Revised HSR Filing Thresholds

The HSR Act requires parties to a transaction which meets or exceeds the jurisdictional thresholds in the Act to file notification with the FTC and Department of Justice and wait until the expiration or termination of the statutory 30-day waiting period before closing the transaction. Transactions that meet the following thresholds and that will close on or after February 23 will require HSR notification unless an applicable exemption applies:

- Transactions valued between **\$101** million and **\$403.9** million **where**:
 - one party holds assets or has annual net sales of **\$202** million; **and**
 - the other party holds assets or has annual net sales of **\$20.2** million.
- Transactions valued in excess of **\$403.9** million are reportable notwithstanding "size of the parties."

Transaction Filing Fees Based on Size of Transaction

- \$45,000 if the value of the transaction is greater than \$101 million but less than \$403.9 million.
- \$125,000 if the transaction value is in excess of \$403.9 million but less than \$1.0098 billion.
- \$280,000 for transactions valued at \$1.0098 billion or greater.

Civil Penalty for Failure to File HSR Notification

The current civil penalty for violations of the HSR Act is \$46,517 *per day*. The FTC adjusted the amount on [January 6, 2022](#) pursuant to the Federal Civil Penalties Inflation Adjustment Act of 2015, which requires annual inflation adjustments based on a prescribed formula.

For more information, contact [Katherine I. Funk](#) or any member of Baker Donelson's [Antitrust](#) group.