FTC Announces New Premerger-Notification and Interlocking-Directorate Thresholds

The Federal Trade Commission (FTC) has announced its annual adjustment of the thresholds for premerger notification filings under the Hart-Scott-Rodino Act (HSR), as well its adjustment for the thresholds for prohibitions on certain interlocking directorates under Section 8 of the Clayton Act.

The new HSR thresholds will be effective thirty days after publication in the Federal Register. Publication is expected sometime during the week of January 19, which would make the thresholds effective in late February. The new interlocking-directorate thresholds became immediately effective on January 15, 2015.

HSR requires that parties to certain mergers and acquisitions notify federal regulators if dollar-amount thresholds are satisfied and no exemption applies. Under the newly announced thresholds, any transaction valued at more than $305.1 million is reportable. Any transaction valued under $305.1 million but above $76.3 million is generally reportable if one “person” to the transaction has at least $152.5 million in total assets or annual net sales and the other person has at least $15.3 million in total assets or annual net sales.

Section 8 of the Clayton Act prohibits a person from serving as a director or officer of two competing corporations if certain dollar-amount thresholds are satisfied and no exemption applies. Under the new thresholds, a person may not serve as a director or officer of competing corporations if each corporation has capital, surplus, and undivided profits aggregating more than $31,084,000, unless one of the corporations has competitive sales of less than $3,108,400.

Further information regarding these revisions to the HSR and Section 8 thresholds is available on the FTC website.