

FTC Announces Temporary Suspension of Early Terminations for HSR Filing Waiting Period; Reduced Filing Thresholds Go Into Effect on March 4

FEBRUARY 5, 2021

Authors: [Connie A. Porter](#)

Early Terminations for HSR Filings Temporarily Suspended

The Federal Trade Commission (FTC) and the U.S. Department of Justice (DOJ) announced that both agencies will temporarily suspend the discretionary practice of early terminations of the Hart-Scott-Rodino Act (HSR) waiting period for mergers raising the possibility of antitrust issues. Prior to the announcement, parties could apply to the FTC or DOJ to terminate the HSR 30-day waiting period prior to its expiration, allowing a deal to proceed faster. The FTC anticipates the suspension will be brief, noting a similar temporary suspension of early termination grants in March 2020 following the implementation of an e-filing system. The agency has referenced the transition to a new administration, the unprecedented volume of merger filings received at the start of the year and the ongoing pandemic as the basis of this temporary suspension. For the time being, parties who anticipate needing HSR approval should plan to wait the full 30 days after filing before being able to close their transaction, even if there are no competitive concerns raised by the transaction other than meeting the size thresholds.

HSR Filing Thresholds Reduced

The FTC's latest annual adjustment of the statutory thresholds under the HSR Act will result in a **decrease** in thresholds from the prior year. The annual HSR threshold adjustments are tied to changes in gross national product, and accordingly the overall decline in the US economy in 2020 resulted in a threshold reduction. The only other time the HSR threshold has been reduced from the prior year was in 2010 following the Great Recession. **Effective March 4, 2021**, the new HSR size-of-the-transaction thresholds go into effect. The revised HSR thresholds will apply for transactions that close on or after March 4, 2021. The HSR filing fees remain unchanged.

| HSR Act or Rule Provision | 2021 Indexed Value |
|--|--------------------|
| US\$50 million size-of-transaction test | US\$92.0 million |
| US\$200 million size-of-transaction test | US\$368.0 million |
| US\$100 million size-of-person test | US\$184.0 million |

| | |
|--|----------------------------|
| US\$10 million size-of-person test | US\$18.4 million |
| US\$50 million notification threshold | US\$92.0 million |
| US\$100 million notification threshold | US\$184.0 million |
| US\$500 million notification threshold | US\$919.9 million |
| 25% of voting securities valued at US\$1 billion notification threshold | US\$1,839.8 million |
| US\$110 million foreign exemption threshold | US\$202.4 million |

For more information on these HSR changes and how they may affect your filing, contact Connie Porter.

Connie Porter at cporter@beneschlaw.com or 216.363.4433.