

# PUBLICATION

## 2024 Changes to the HSR Pre-Merger Notification Thresholds, HSR Filing Fees, Civil Penalties, and Interlocking Directorate Thresholds

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January is the time of the year for the Federal Trade Commission (FTC) to announce the annual changes to several statutory thresholds, including those relating to the Hart-Scott-Rodino (HSR) Act notification thresholds and filing fee thresholds, interlocking directorates, and civil monetary penalties. The FTC approved all the changes by a vote of 3-0 and published notices in the Federal Register.

### Revised HSR Filing Thresholds

The revised thresholds will apply to transactions *closing on or after the effective date* of the notice which is expected to be in late February, 30 days after publication in the Federal Register.

The FTC is required by law to revise the notification jurisdictional thresholds annually based on the change in the gross national product (GNP). The 2024 HSR reporting thresholds will increase by approximately seven percent, reflecting the increase in the GNP during 2023.

The HSR Act requires parties to a transaction that 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 the expected effective date in late February will require HSR notification unless an applicable exemption applies:

- Transactions valued between **\$119.5 million** and **\$478 million** where:
  - one party holds assets or has annual net sales of **\$23.9 million**; and
  - the other party holds assets or has annual net sales of **\$ 239 million**.
- Transactions valued in excess of **\$478 million** are reportable notwithstanding "size of the parties."

Later this year, the FTC is expected to publish and implement significant changes to the HSR Notification and Report Form, requiring parties to supply substantially more information to the agencies. The application of the HSR Rules, including calculation of the transaction value and application of the filing thresholds to transactions requires a thorough understanding of the statute and the complex implementing regulations.

### Revised and Updated Transaction Filing Fees Based on Size of Transaction

The HSR filing fees will adjust in 2024 because of the Merger Filing Fee Modernization Act of 2022. The HSR filing fees are adjusted annually based on changes in the consumer price index in the preceding calendar year.

Filing Fee	Size of Transaction
\$30,000	less than \$173.3 million

<b>\$105,000</b>	not less than \$173.3 million but less than \$536.5 million
<b>\$260,000</b>	not less than \$536.5 million but less than \$1.073 billion
<b>\$415,000</b>	not less than \$1.073 billion but less than \$2.146 billion
<b>\$830,000</b>	not less than \$2.146 billion but less than \$5.365 billion
<b>\$2.335 million</b>	\$5.365 billion or more

### **Revised Interlocking Directorate Thresholds**

Earlier this month, the FTC adjusted the 2024 thresholds under [Section 8](#) of the Clayton Act which trigger prohibitions on certain interlocking memberships on corporate boards of directors. The adjusted thresholds are now \$48,559,000 for Section 8(a)(1) and \$4,855,900 for Section 8(a)(2)(A) and became effective upon publication in the Federal Register on January 22, 2024.

### **Civil Penalty for Failure to File HSR Notification**

The FTC adjusted the maximum civil penalty for violations of the HSR Act to \$51,744 *per day*. The adjusted amount is effective as of [January 10, 2024](#), 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](#), [Alex S. Lewis](#), or any member of Baker Donelson's [Antitrust Group](#).