JENNER & BLOCK

FTC Announces 2025 HSR Thresholds

Client Alerts

January 15, 2025
By: Colleen M. Reddan

On January 10, 2025, the United States Federal Trade Commission (FTC) approved new premerger notification thresholds and revised filing fees under the Hart-Scott-Rodino Act (HSR). These new thresholds will apply to all transactions that close on or after the effective date of the notice, which is 30 days after its publication in the *Federal Register*, and are expected to take effect on or after February 12, 2025.

In general, filing an HSR premerger notification is required when the value of the transaction reaches a certain threshold (the “Size-of-Transaction” test), the parties are of sufficient size (the “Size-of-Person” test), and no statutory exemption is applicable. Under the HSR Act, the FTC is required to update the jurisdictional thresholds annually, based on the change in gross national product.

Revised Thresholds

- Transactions valued up to and including **$126.4** million are not reportable.
- Transactions valued at more than **$126.4** million, but less than **$505.8** million are reportable if they meet the Size-of-Person test.
  - Generally, the Size-of-Person test is met when:
    1. The larger party to the transaction has total assets or annual net sales of **$252.9** million or more; and
    2. The smaller party has total assets or annual net sales of **$25.3** million or more.
    3. There are nuances to the Size-of-Person test that must be considered for each transaction. For example, if the smaller party is the acquired person and does not engage in manufacturing, the test is met only if that person has total assets of **$25.3** million or more, or annual net sales of **$252.9** million or more.
  - Transactions valued at **$505.8** million or more are reportable, regardless of the size of the parties (unless an exemption applies).

Test	2024 Threshold ($USD)	Revised 2025 Threshold ($USD)
Size-of-Transaction Test *Minimum transaction value that triggers reporting obligation, when Size-of-Person Test is also met (and no exemption applies)*	> $119.5 million	> **$126.4 million**
Size-of-Person Test *To satisfy the Size-of-Person test, one party to the transaction must meet the "larger" test and the other must meet the "smaller" test.*	One party has at least $239 million in assets or annual net sales (the larger test). AND The other party has at least $23.9 million in assets or annual net sales; or, if the acquired party engaged in manufacturing has at least $23.9 million in assets or $239 million in annual net sales (the smaller test).	One party has at least **$252.9 million** in assets or annual net sales (the larger test). AND The other party has at least **$25.3 million** in assets or annual net sales; or, if the acquired party engaged in manufacturing has at least **$25.3 million** in assets or **$252.9 million** in annual net sales (the smaller test).
Size-of-Transaction Threshold at Which Size-of-Person Test Does Not Apply	> $478 million	> **$505.8 million**

Filing Fees

Furthermore, the FTC provided updates to its filing fees, which are described in detail below.

New Size of Transaction under the Act **(As adjusted by the Act) ($USD)**	**New Size of Transaction under the Act** **(As adjusted by the Act) ($USD)**
Less than **$179.4** million	$30,000 (No change)
Not less than **$179.4** million but less than **$555.5** million	$105,000 (No change)
Not less than **$555.5** million but less than **$1.111** billion	**$265,000**
Not less than **$1.111** billion but less than **$2.222** billion	**$425,000**
Not less than **$2.222** billion but less than **$5.555** billion	**$850,000**
Not less than **$5.555** billion or more	**$2,390,000**

2025 Interlocking Directorate Enforcement Thresholds

Additionally, the FTC announced its annual updates to the Clayton Act Section 8 enforcement thresholds. Section 8 of the Clayton Act prohibits simultaneous service by officers or directors of two competing corporations (known as an "interlocking directorate") if certain thresholds are met. These thresholds are effective upon publication in the *Federal Register.*

Under the new thresholds, an interlocking directorate is forbidden where:

- Each competitor corporation has capital, surplus, and undivided profits aggregating more than **$51,380,000** ($48,559,000 in 2024); and
- Both competitor corporations have competitive sales of more than **$5,138,000** ($4,855,900 in 2024).

Main Takeaway

The HSR Act requires parties to report transactions for the purchase or sale of voting securities, non-corporate interests, or assets to submit premerger notification filings to the FTC and the Antitrust Division of the US Department of Justice. HSR notification filings involve complex rules regarding valuation and exemptions that change regularly, and noncompliance with the Act carries serious penalties. Parties should seek counsel specialized in HSR filings as early in the process as possible, to determine whether a transaction is reportable and to assess regulatory risk.

Related Attorneys

Colleen M. Reddan
Department Counsel
creddan@jenner.com
+1 202 637 6384

Related Capabilities

Antitrust and Competition Law

Stay Informed →