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## FTC Announces 2021 Hart-Scott-Rodino Threshold *Reductions*

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On February 1, the FTC gave notice that on February 2, new Hart-Scott-Rodino (“HSR”) thresholds would be published in the Federal Register, to take effect March 4, 2021. See [Federal Register: Revised Jurisdictional Thresholds for Section 7A of the Clayton Act](#). For purposes of determining whether an HSR filing is required, and as a result of the COVID-19 related economic downturn, the new thresholds are a reduction from 2020 thresholds, as follows:

Test	2021 Reduced Threshold
Size of Transaction	REDUCED to \$92M from \$94M
Size of Parties	REDUCED to \$184M and \$18.4M from \$188M and \$18.8M (Total assets or annual net sales)
Size of Parties Irrelevant	REDUCED to \$368M from \$374M

In addition, for purposes of the prohibition against interlocking directorates, competing corporations must have capital, surplus and undivided profits exceeding, in the aggregate, \$37,382,000 and there are three tests for determining competitive overlap:

- each company must have competitive sales of at least \$3,738,200; or
- each company must have competitive sales of at least 2 percent of total sales; or
- competitive sales of either company is at least 4 percent of its total sales.

Also, earlier this year, the FTC announced a small increase in the HSR failure-to-file fine, from \$42,530 to \$43,280. See <https://www.ftc.gov/news-events/press-releases/2020/01/ftc-publishes-inflation-adjusted-civil-penalty-amounts>.

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