

Recent Hart-Scott Rodino Developments

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Canadian companies engaged in M&A transactions with connections to the United States should be aware of recent changes to the rules under the Hart-Scott Rodino (HSR) Act.

On February 2, 2021, the US Federal Trade Commission (FTC) announced the annual adjustment of the thresholds that trigger premerger reporting obligations (and the mandatory waiting period) under the HSR Act. The new thresholds will apply to transactions closing on or after March 4, 2021 (that is, 30 days after publication of the announcement in the Federal Register). This year, for the first time in a decade, the thresholds *decreased*. You can find a detailed discussion of the recent developments [here](#).

In addition, the FTC and Department of Justice announced on February 4, 2021 the temporary suspension of the practice of granting “early termination” of the HSR waiting period. In other words, for the time being, issuers and advisors should assume that any reportable transaction will require the full 30-day waiting period (shorter in all-cash tender offers). This is expected to be a short-duration suspension, but how short is not known. [See FTC press release here](#).

Canadian issuers and their advisors should note that the HSR reporting requirements may be applicable to transactions involving non-US targets, depending on the extent of the target’s US-based revenues and assets and other factors.

Related People

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