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Long-Awaited Revisions to HSR Reporting Rules Set to Take Effect This January

Minding Your Business on **October 11, 2024**

The Federal Trade Commission ("FTC") has announced a final rulemaking on a unanimous vote that will expand the reporting requirements for mergers and acquisitions under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act"). The new reporting requirements will go into effect after the new year in mid-January 2025. No changes will be made to the scope of transactions that are subject to HSR reporting.

The slate of changes, while less onerous than the expansive rules initially proposed in June 2023, nevertheless will change the reporting landscape and add significant additional disclosures to the HSR process. The 5-0 vote no doubt represents a compromise on the scope of the expanded reporting. According to Republican FTC Commissioner Melissa Holyoak's statement issued on the rulemaking, "[o]f the twenty-nine primary proposals in the NPRM, ten were rejected entirely, including, among others, the request for labor information, the obligation to produce draft transaction documents, and the requirements to create organizational charts."

Still, numerous additional disclosure requirements survive in the final rule, including reporting on officers and directors, identifying deal "team leads", submission of additional transaction related documents (including certain draft transaction agreements), submission of certain regular course business plans, and requiring descriptions of business lines, overlap products and supply relationships, including with respect to products and services still under development and that are not yet generating revenues (along with projected revenues and volumes for pipeline products). In line with the FTC's recent focus on private equity, the revised HSR reporting will require disclosure of certain limited partners that have veto or approval rights.

A detailed overview of the expanded reporting requirements will be released next week, along with an invitation to our upcoming webinar on the rules.

View original.

- **John R. Ingrassia**
  Partner