

FTC Adopts Major Changes to HSR Merger Notification Form

Effective mid-January 2025, the FTC's new HSR notification process will significantly increase the time and content required to file M&A notifications under the HSR Act.

On October 10, 2024, the Federal Trade Commission (FTC) and the Department of Justice (DOJ) approved new requirements for reporting M&A transactions under the Hart-Scott-Rodino (HSR) Act. These new rules significantly expand the amount of information parties must submit to the agencies and are expected to take effect in mid-January 2025. The key rule changes are outlined below. (For a more expansive look at the changes, see this [Client Alert](#) or register for our [webcast](#).)

Key changes include:

- **Agreement requirement refined:** A letter of intent must include some combination of the following terms: identity of the parties; structure of the transaction; scope of what is being acquired; calculation of the purchase price; estimated closing timeline; employee retention policies, including with respect to key personnel; post-closing governance; and transaction expenses or other material terms.
- **Expanded document requirements:** Documents created by or for the “supervisory deal team lead” and certain ordinary-course business documents unrelated to the transaction and drafted within one year of the HSR filing that are presented to the CEO or board must now be included.
- **New narrative descriptions and customer information:** A description of a filer’s (i) business operations; (ii) strategic rationales for the transaction; (iii) principal categories of products and services (current and planned) sold; (iv) supply relationships between the parties; and (v) a diagram of the deal structure will be required.
- **Minority holders:** For acquiring persons, filers must provide the “doing business as” or “street name” of minority investors that are related to master limited partnerships, funds, or investment groups and must identify certain minority holders (5%–50%) of entities between the acquiring UPE and acquiring entity, which today are not disclosed. For limited partnerships, filers must identify (in addition to the general partner) limited partners that have or will have more than 5% but less than 50% of the limited partnership interests and possess board nomination and/or management rights.
- **Identifying officers and directors:** Any officers and directors for the three months prior to the HSR filing of entities within the buyer that have responsibility for the development, marketing, or sale of overlapping products or services must be disclosed.

- **New disclosures involving foreign subsidies and defense or intelligence contracts:** Pursuant to the Merger Fee Modernization Act of 2022, certain subsidies that are received or are anticipated to be received from a foreign entity or government of concern, as well as additional related information will need to be disclosed. In addition, certain pending proposals and awarded contracts with the US Department of Defense or intelligence community will also need to be disclosed.

We anticipate that clients will need to invest significantly more time, effort, and resources to navigate these changes effectively, and we recommend consulting with outside counsel to ensure a thorough understanding and implementation of the new requirements.

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