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## *PH COVID-19 Client Alert Series: HSR Filings Impacted by COVID-19*

By [Michael Wise](#)

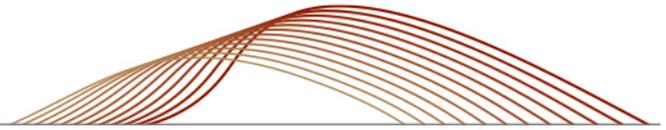
On Friday, March 13, 2020, the Premerger Notification Office of the Federal Trade Commission issued a press release detailing changes to the normal procedures for accepting and reviewing premerger notification filings under the Hart-Scott-Rodino Act (“HSR Act”). The announcement follows guidance from the Office of Personnel Management, that agencies should promote telework and social distancing to the extent possible to prevent the spread of COVID-19. These changes may affect timing for transactions currently under review and those that would necessitate HSR filings in the coming weeks.

Specifically, the FTC’s press release provides the following:

- No HSR filings are being accepted on Monday, March 16, 2020.
- Starting on March 17, 2020, all HSR filings will be required to be made electronically using a new e-filing system that has not been implemented in the past.
- No grants of Early Termination will be issued for any HSR filings during the current COVID-19 emergency. No guidance has been given regarding when Early Termination grants might resume.

The third point – that grants of Early Termination will not be made for the foreseeable future – is particularly likely to impact closing timelines for many transactions. The HSR Act applies to transactions valued at \$94 million or more, subject to various adjustments and exemptions. For covered transactions, the HSR Act requires parties to observe a mandatory 30-day waiting period after making a premerger notification, giving the government time to review potential competitive effects of the deal. However, the government has the ability to grant Early Termination of that waiting period, and it commonly does so in non-controversial deals (assuming the parties request it) – often in 1-2 weeks. For the foreseeable future, all transactions will be required to wait the full 30 days prior to closing.

Meanwhile, we anticipate that there may be other delays and altered procedures behind the scenes. The Department of Justice Antitrust Division and Federal Trade Commission staff are currently teleworking, and the Federal Trade Commission guidance anticipates additional time may be needed for the initial screening of filings received under the e-filing system. There is also a note that after the COVID-19 emergency is lifted, parties may be required to submit additional copies of their filings in



hard copy or on DVD. Meanwhile, we expect that these changes are likely to hamper preliminary investigations, causing them to take longer than normal, potentially resulting in further timing concerns for merging parties.

Paul Hastings continues to monitor the COVID-19 situation across all areas of our clients' business and will provide further updates as they are available.



*If you have any questions concerning these developing issues, please do not hesitate to contact the following Paul Hastings lawyer:*

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