Insight

HSR Report Showed Early Terminations Are (Almost) Back

FRED ASHTON | JULY 7, 2026

Executive Summary

- On July 2, 2026, the Federal Trade Commission (FTC) and the Department of Justice (DOJ) released the 48th Annual Hart-Scott-Rodino Report – this one for fiscal year (FY) 2025 – providing a detailed look into merger activity and federal antitrust enforcement.
- The report showed 1,944 adjusted transactions were reported in 2025, a negligible downtick from the previous year; the trend of massive deals continued, however, with nearly a third of all reported transactions valued at more than $1 billion.
- The data for FY 2025 confirm the return of early termination, which was indefinitely suspended in February 2021 before being restored in February 2025; the practice allows mergers and acquisitions that pose no competitive concerns to close before the mandatory waiting period expires and reflects the agencies' ongoing effort to avoid unnecessary roadblocks for competitively benign transactions, ultimately lowering transaction costs.

Introduction

On July 2, the Federal Trade Commission (FTC) and Department of Justice (DOJ) released the 48th Annual Hart-Scott-Rodino (HSR) Report – this one for fiscal year (FY) 2025. The report provides insight into merger filings and enforcement actions between October 1, 2024, and September 30, 2025.

The report showed that overall deal volume remained steady, with 1,944 adjusted transactions reported in FY 2025 compared to 1,973 in FY 2024. The composition of these deals, however, continued to skew toward larger transactions. Mergers valued at over $1

billion accounted for 32 percent of all transactions, up from roughly 14 percent in FY 2016.

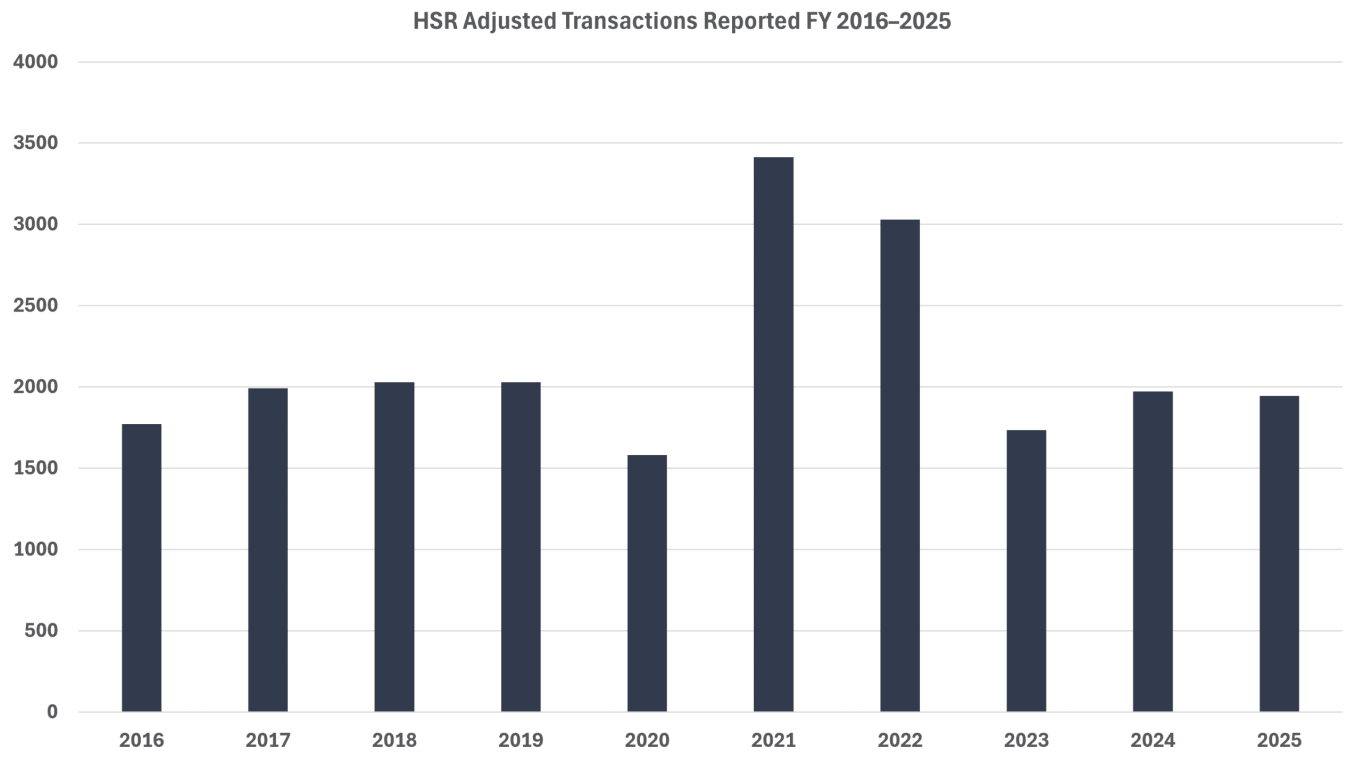
The data for FY 2025 provide the first look at the reinstatement of early termination – a practice which allows mergers and acquisitions that pose no competitive concerns to close before the mandatory waiting period expires, and which had been indefinitely suspended in February 2021 before being restored in February 2025. The data suggest the agencies' commitment to avoiding becoming an unnecessary roadblock for competitively benign transactions and ultimately lowering transaction costs.

Hart-Scott-Rodino Annual Report

As discussed in previous American Action Forum insights, the Hart-Scott-Rodino Annual Report provides insight into merger enforcement actions and summarizes statistics of merger transactions.

In FY 2025 – covering October 1, 2024, through September 30, 2025 – 2,006 transactions were reported to the FTC and DOJ. The agencies also reported 1,944 adjusted transactions – a count that omits those for which the agencies were not authorized to request additional information – largely unchanged from the 1,973 reported in 2024, as shown in *Figure 1*.

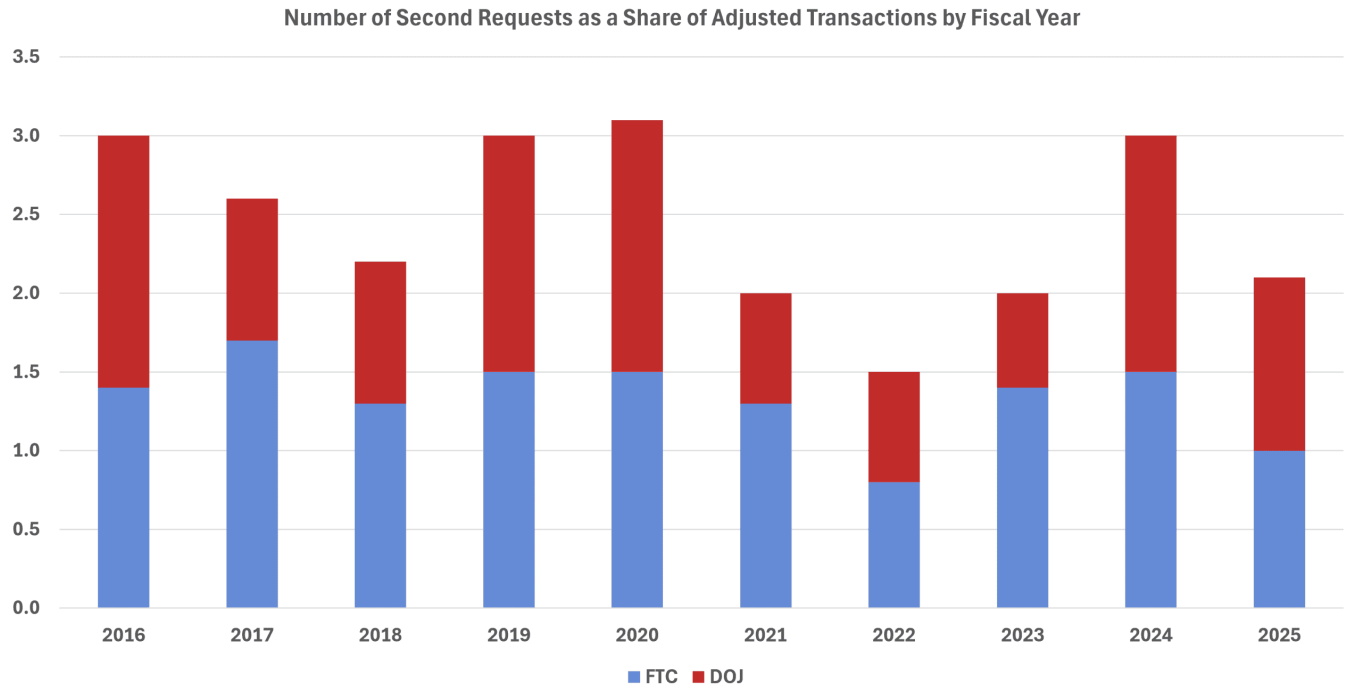
Figure 1



Source: HSR FY 2025 Annual Report

The rate of Second Requests – a process that requires merging firms to submit additional information to the agencies – dropped slightly from the prior year's 3 percent to 2.1 percent, remaining largely within historical norms.

Figure 2



Source: HSR FY 2025 Annual Report

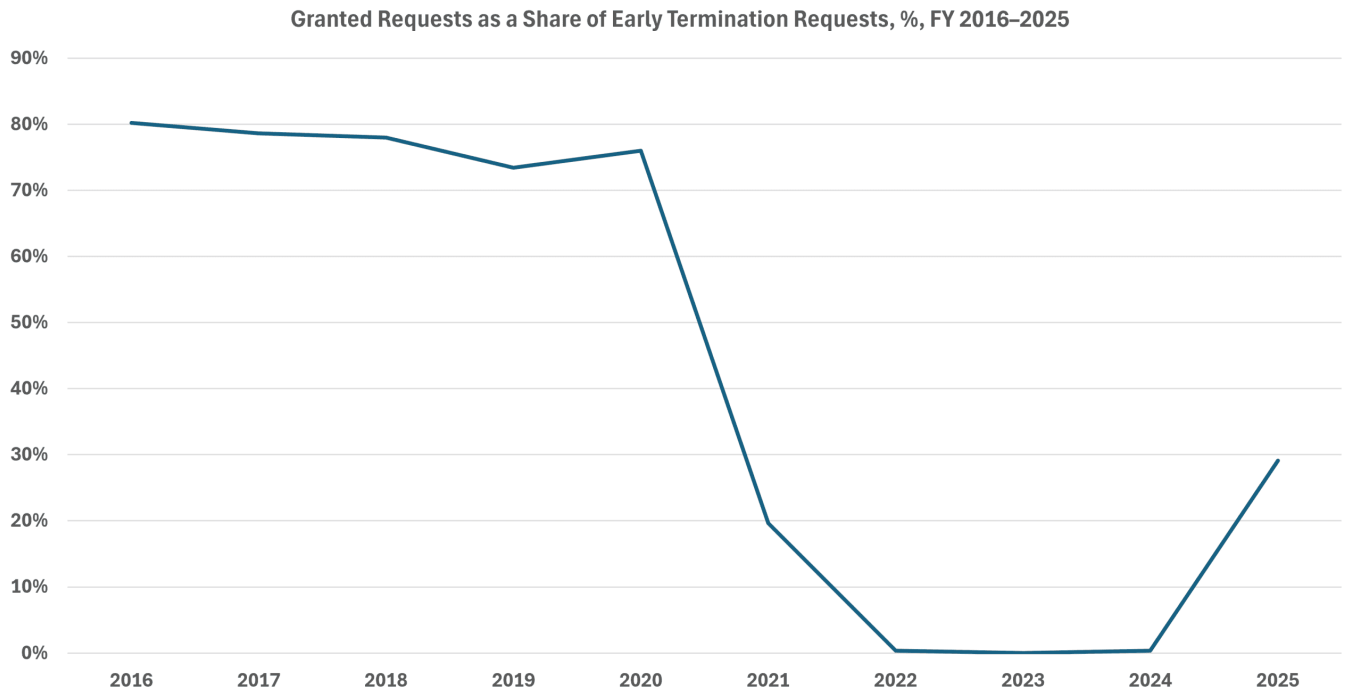
After a four-year hiatus, the agencies officially reinstated early termination in February 2025. The data from the FY 2025 report revealed that 29 percent of all early termination requests were granted. Notwithstanding this step toward normalization, the figure remained quite low by historical standards, which typically ranged from 73–81 percent (*Figure 3)*.

In written testimony before the House Appropriations Subcommittee on Financial Services and General Government on May 15, 2025, FTC Chairman Andrew Ferguson stressed that the agency "has resumed granting early termination" and added, "the Commission has no interest in being a roadblock or even a speed bump for M&A [mergers and acquisitions] transactions that do not present competition issues."

Because the FY 2025 report includes several months before early termination was officially

reinstated, the current rate of 29 percent may indicate the agencies are ramping up their operations amid a cold restart. The initial data show the agencies are keeping their commitment.

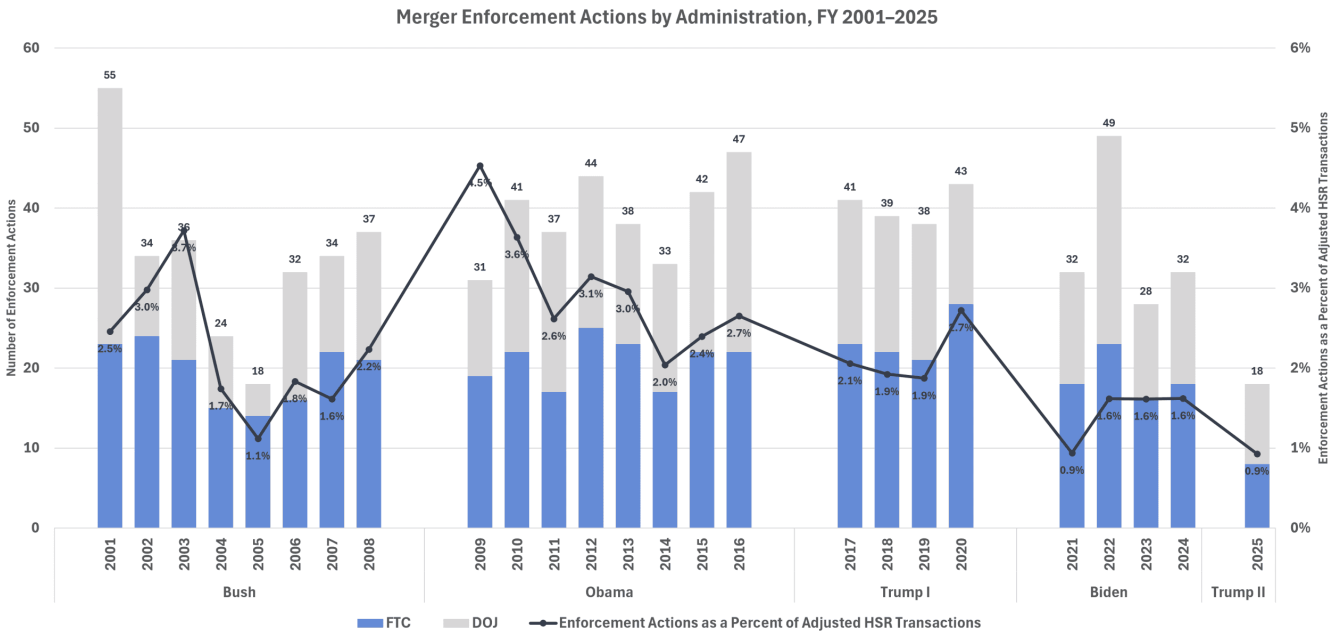
Figure 3



Source: HSR FY 2025 Annual Report

The FTC took enforcement actions against eight transactions, according to the report. The FTC initiated litigation in three, issued consent orders for public comment in three others, and two transactions were abandoned before litigation began because of antitrust concerns raised during the investigation. The DOJ, meanwhile, took enforcement action against 10 transactions. The DOJ initiated litigation in two of these transactions, two were resolved using consent decrees, two were abandoned, and four deals were restructured. In all, 18 total enforcement actions – or just 0.9 percent of adjusted transactions – represented the lowest since 2005 (*Figure 4)*.

Figure 4

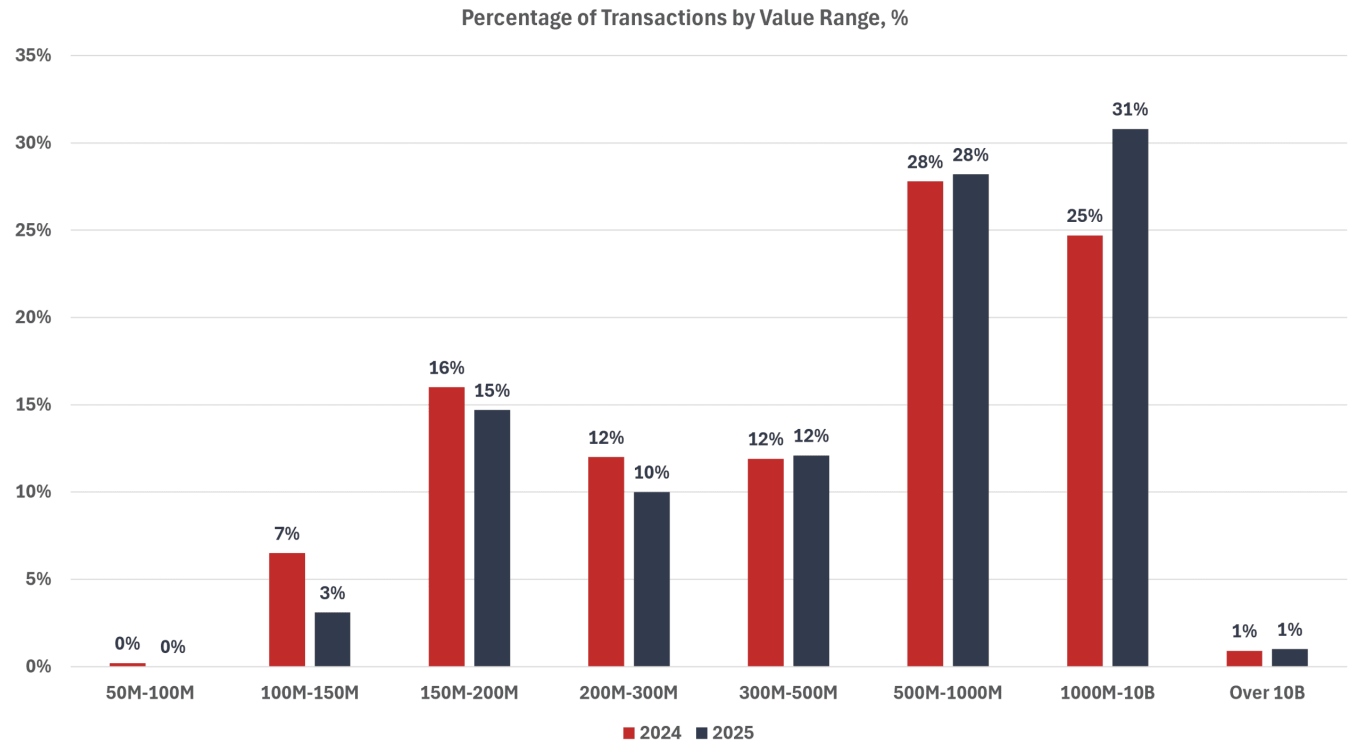


Source: HSR FY 2025 Annual Report; HSR Competition Reports FY 2001–2024

Large Transactions Continue to Make Up Greater Share of Deals

A granular breakdown of transactions by value showed that transactions greater than $1 billion in total value increased in FY 2025 compared to FY 2024 *(Figure 5)*.

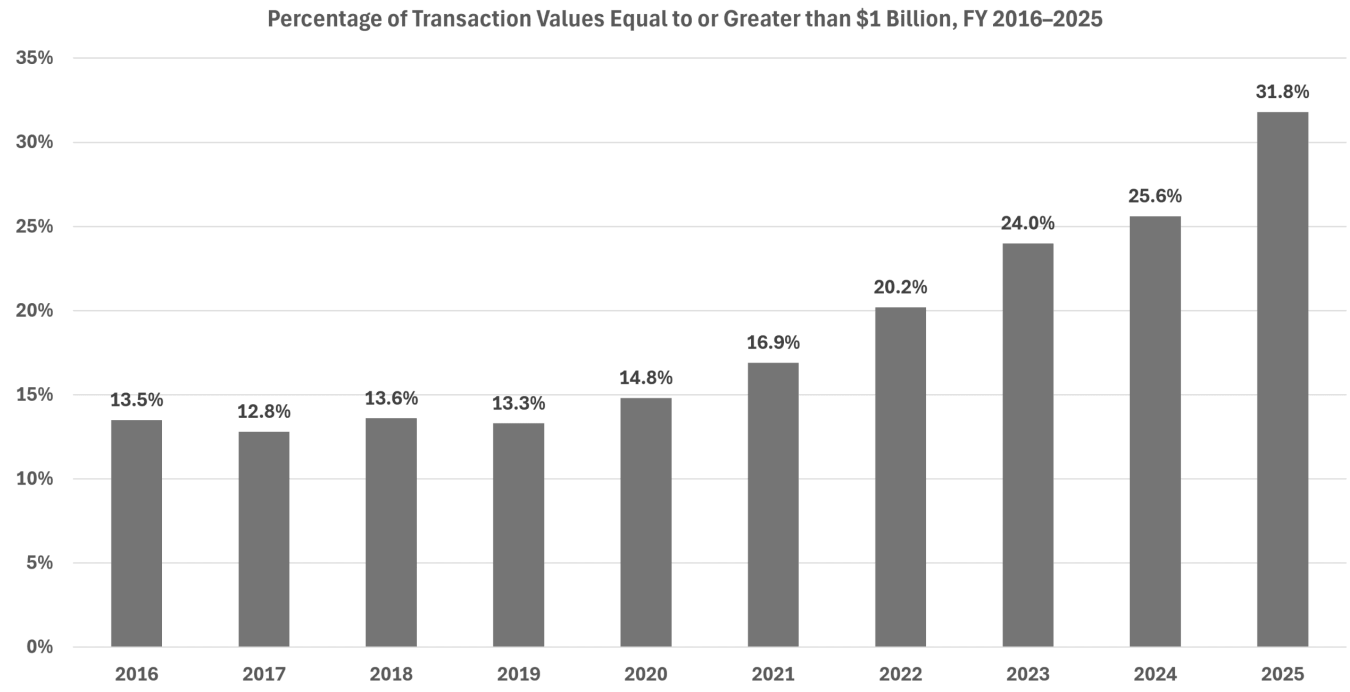
Figure 5



Source: *HSR FY 2025 Annual Report*

Specifically, the data showed that 31.8 percent of transactions were valued at over $1 billion in FY 2025, an increase from 25.6 percent in FY 2024, and a marked rise from just 13.5 percent in 2016 (*Figure 6)*.

Figure 6



Source: HSR FY 2025 Annual Report

The steady climb in large transactions led to a structural change in how the HSR report tracks data. Beginning in FY 2024 and continuing in FY 2025, the agencies replaced the category "Over 1000M" with two new categories, "1000M-10B" and "Over 10B."

This decision also suggests that the FTC and DOJ are increasingly focused on industry leaders involved in mergers and acquisitions that are more likely to raise competitive concerns compared to lower-value transactions.

Conclusion

The FTC and DOJ's annual HSR report offered insight into the merger enforcement priorities of the second Trump Administration. While the share of transactions valued in excess of $1 billion continued to rise, overall enforcement actions decreased. The report also highlighted the agencies' continued progress on early termination and their desire to avoid creating unnecessary and burdensome barriers to competitively benign merger activity.