

enable the Director to take a considered decision. There are no time limits for the issuance of ARCs which may take from a few days to several weeks.

In the United States, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, a proposed acquisition of voting securities or assets cannot be consummated unless advance notification is provided and the prescribed waiting periods are observed if either party is engaged in activity affecting interstate or foreign commerce of the United States and if certain size thresholds are met: one party has total assets or net annual sales of \$100 million or more; and the other party has total assets or net annual sales of \$10 million or more; and if, as a result of the proposed transaction, the acquiring party will hold more than \$15 million worth of assets or voting securities of the acquired party. Under some circumstances, an acquisition of voting securities worth \$15 million or less will be reportable if the buyer is acquiring 50 per cent or more than the issuer's voting securities.

All acquisitions that meet these notification thresholds are subject to the Hart-Scott-Rodino requirements of premerger notification and observation of the waiting period, unless exempted by the statutes or rules promulgated thereunder.

In some instances, a transaction may not be reportable even if the size of person and the size of transaction tests have been satisfied. The Hart-Scott-Rodino Act and the implementing rules set forth a number of exemptions for particular transactions or classes of transaction; these include:

- a) where less than 10 per cent of the outstanding voting securities of the issuer are acquired and the acquisition is solely for the purpose of investment;
- b) where the buyer's percentage share of the seller's outstanding voting securities is not increased;
- c) certain acquisitions by banks and thrift institutions that require approval of another federal agency through merger and holding company purchase;
- d) acquisitions of bonds, mortgages and other non-voting securities;
- e) where the buyer already controls the seller;
- f) acquisitions by governments, including agencies and political subdivisions;