

TikTok keeps ticking in US as deadline for asset sale passes

December 4 2020, by Glenn Chapman



The US says the popular video app TikTok is a national security risk because of potential links to the Chinese government through its parent firm ByteDance

TikTok continued serving up short videos in the US despite missing a Trump administration deadline to come up with an acceptable deal to put its American assets into US hands.

Talks between TikTok parent ByteDance and government negotiators were continuing despite the missed deadline set by the Committee on Foreign Investment to carry out an executive order by President Donald Trump, according to a source familiar with the matter.

"The committee is engaging with ByteDance to complete the divestment and other steps necessary to resolve the national security risks arising from the transaction, consistent with the president's August 14 order," said a spokesperson for the Treasury, which oversees the committee.

TikTok declined to comment.

ByteDance, based in China, had been given until midnight Eastern time on Friday to come up with a plan to sell its US operations to American buyers.

But after the deadline passed, users could still tap into the smartphone app for a seemingly endless stream of video snippets, an AFP visit to the platform showed.

The White House claims TikTok is a national security risk because of potential links to the Chinese government through ByteDance.

TikTok has repeatedly defended itself against allegations of data transfers to the Chinese government, saying it stores user information on servers in the United States and Singapore.

Ban stalled

The US had already backed off enforcing a ban on TikTok, in compliance with a court order in favor of the social media sensation.

A US federal judge in late October issued an injunction temporarily

blocking an executive order by Trump aimed at banning TikTok.

The judge's ruling put the brakes on a Trump threat to knock TikTok offline by cutting it off from US businesses providing website hosting, data storage and other fundamentals needed to operate.

But TikTok influencers suing the president over the ban convinced US District Judge Wendy Beetlestone to issue the injunction against it.

It was the second restraint issued in favor of TikTok by US judges against a set of executive orders issued by Trump which sought to ban new downloads of the app beginning in September, and ban it outright by mid-November.

A temporary injunction issued in September in a separate suit filed by TikTok itself prevented the government from removing it from mobile application download platforms.

Judges in both cases said in rulings that the chances of proving in court that Trump overstepped his authority were good.

They also equated TikTok to films, photographs, and news wires with legal protections.

Washington vs Beijing

The Friday deadline was for ByteDance to come up with a deal to sell TikTok operations in the US.

A tentative deal has been unveiled that would make Silicon Valley giant Oracle the technology partner for TikTok and a stakeholder in a new entity to be known as TikTok Global.

Oracle would manage data security through its cloud servers, while TikTok would retain control of its algorithms and technology, according to details of the proposed deal shared earlier this year.

However, Trump has said he would not approve a deal with any Chinese ownership or control.

China, meanwhile, has tightened control of technology exports in a move that promised to complicate any deal for TikTok to sell US assets.

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Citation: TikTok keeps ticking in US as deadline for asset sale passes (2020, December 4)
retrieved 3 May 2024 from

<https://techxplore.com/news/2020-12-deadline-looms-tiktok-platform.html>

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