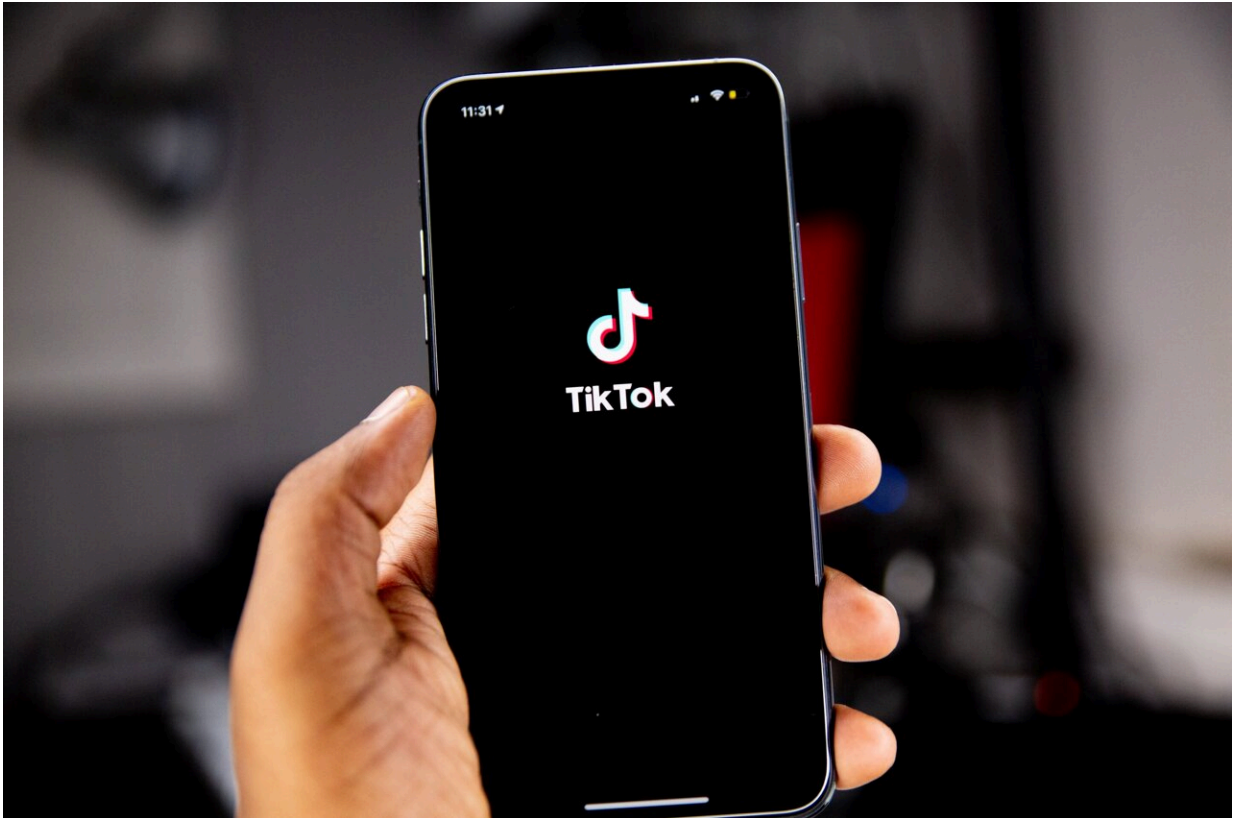


What next for TikTok in the US?

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TikTok on Wednesday said it will fight a new US law that orders the popular video sharing app to break away from its Chinese owners or face an outright ban in the United States.

Here is what could happen next for one of the world's most downloaded

apps.

What does the law say?

The bill signed by President Joe Biden gives TikTok 270 days (roughly nine months) to find a non-Chinese buyer or face a ban in the United States. The White House can extend the deadline one time only by 90 days.

During that time, the app would continue to operate for its roughly 170 million US users.

What will happen in the courts?

TikTok says it will fight the law in the US courts, saying that it grossly violates free speech rights.

The company has some reason to feel that it will prevail; in 2020, the company survived a similar order from then President Donald Trump.

TikTok filed a lawsuit challenging the ban, and a [federal judge](#) temporarily blocked Trump's effort, saying the reasons for banning the app were likely overstated and that free speech rights were in jeopardy.

Still, the Trump administration tried to broker a deal in which data server firm Oracle and supermarket giant Walmart would buy a joint stake in TikTok, but those negotiations went nowhere.

The new effort signed by Biden was designed to overcome the same legal headaches and some experts believe the US Supreme Court could be open to allowing national security considerations to outweigh free speech protection, though this is hardly certain.

Trump, who is running for president against Biden, now says he opposes the potential ban as it would benefit rival Meta, the owner of Instagram and Facebook.

Who will buy TikTok?

Finding a buyer for TikTok will be no easy matter given the deep pockets needed to walk home with one of the world's most popular apps.

Big tech's usual suspects, such as Meta or YouTube's Google, will likely be barred from snapping up TikTok over antitrust concerns. They already command too much of the social media market.

Even Microsoft, owner of the more niche LinkedIn and now the world's biggest company by market capitalization, would face a hard look by competition regulators.

Oracle could be interested in trying again to take part in a deal.

Since its first attempt during the Trump administration, the company controlled by Larry Ellison helped TikTok devise a way to satisfy US national security concerns in a scheme called Project Texas, that essentially carves out US data into a stand alone company, but still owned by ByteDance.

Former Treasury Secretary Steven Mnuchin earlier this month said he was assembling a team of investors to propose an offer for the company, but he has little tech experience and his ambition was considered far fetched by observers.

What if no one buys it?

Barring any decision by the courts, the deadline to sell Tiktok would be

roughly one year from April 24 if the 90 day extension is used.

Starting around that time, TikTok would no longer be available on the US Apple or Android app stores and, crucially, software updates and bug fixes would no longer take place.

In other words, Tiktok would slowly wither away, with Bytedance unable to update the app, though it could decide to shutter it completely.

What does China say?

In the battle over TikTok's US future, China has come out swinging in its defense.

Beijing does not want a precedent to be set where a Chinese company is strong-armed into selling one of its most valuable assets, including an algorithm that is the envy of competitors.

Fears are also rife that an alarming precedent is being set and that other Chinese companies will face a similar fate in the future.

The row was discussed in a [phone call](#) between Biden and Chinese President Xi Jinping earlier this month.

Who will benefit?

The clear winners from an eventual ban of TikTok would be Meta and Google, which have launched their own copycats of TikTok: Meta's Reels and YouTube Shorts.

Both alternatives have been gaining ground in the US market, just as Tiktok appears to be stalling, perhaps affected by the doubts about its future.

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