

Insights



Wade Weems Looks at Next Steps after TikTok's Oracle Deal with South China Morning Post

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With TikTok's partnership deal with Oracle cutting it close to the Trump administration's September 20 deadline and falling short of an outright sale, Kobre & Kim's Wade Weems, a Shanghai-based former U.S. Department of Justice National Security Division prosecutor, sat down with the Hong Kong-based newspaper *South China Morning Post* to examine the likely next steps.

The Trump administration had signed an executive order prohibiting U.S. transactions with ByteDance, the Chinese owner of TikTok, effective September 20. However, there are questions on whether the administration will approve the deal as it stands. Weems predicts that rather than declaring an outright ban after the deadline, the administration is likely to "issue a set of prohibited transactions that enable TikTok to keep operating" to buy the negotiations between TikTok and Oracle more time, while making suggestions for improvements and adjustments.

On the other hand, ByteDance had filed suit last month, challenging the executive order. Besides potentially overturning the order, the lawsuit has other advantages for TikTok, Weems believes. If the deal with Oracle is deemed unacceptable, ByteDance can ask a court to halt the implementation of the executive order until the case is decided, giving them "a great deal of leverage in any subsequent negotiations with the government or with other potential buyers."

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