**TikTok partners with Oracle, Microsoft loses the bid!**

Tiktok and Oracle join hands in the US, and the deal aims at satisfying President Donald Trump’s concerns regarding national security and citizens’ privacy. All these concerns and doubts rises from Tiktok, a short video shooting, and editing app, as unveiled by a spokesperson.

For weeks the discussions and debates about Tiktok’s future in the US continued as President Trump demanded selling of the app to a US-based firm or shutting it down from the nation.

With the latest updates, there are not many revelations about the agreements between TikTok and Oracle, and this is only specified as a complete sell. Previously before Oracle’s news, Microsoft announced that it won’t buy and take over the operations of TikTok from ByteDance.

Bytedance also submitted some proposals to the Treasury Department of the US, and Oracle confirms being a part of it. Later, it was also disclosed that the proposal serves as a “trusted technology provider”.

**TikTok: A Controversial app!**

TikTok is the first-ever Chinese platform in the social media sector with grand popularity in the US and other Western nations. It also is the first ever to seek such a giant fan base in the other regions apart from its home-land. Additionally, Sensor Tower disclosed that within the first 3 months, TikTok got around 315 million downloads, and that is the largest number in quarterly downloads, in the global history of the apps.

However, Mr. Trump and the other US politicians considered it as a threat to the security of the nation as Beijing might use the same as a tool for spying. Some other higher officials also raised concerns that it might get used for collecting the citizens’ personal information and details or the Chinese government might also inspect the contents considered sensitive by them.

TikTok, on the other hand, denied all the allegations and mentioned that it has the data centers completely out of China, and located out of it too. They also added that none of any data is subject to the laws of China.

The revelation of the deal between Oracle and TikTok came out a day before the ban was scheduled over TikTok in the US. Also, after 20th September 2020, the Commerce Department will clarify the types of dealings and business involved and what types of deals having TikTok is will the nation prohibit. This was with effect on the signing of an executive order by Donald Trump on 6th August 2020.

Moreover, there are no clarifications that whether or not will the deal between TikTok and Oracle will be allowing the working of the app in the nation and avert the ban. The order’s scope in yet uncertain and the remarks of Mr. Trump in the matters about TikTok increased the confusion about the implementation of the ban. Trump also mentioned in some other order that TikTok can find a buyer till 12th November 2020.

The looming ban also got challenged by an employee of TikTok in the federal court, and he seeks some judicial decisions to suspend the executive order of 6th August 2020. For the same, a hearing for the plea got scheduled for Tuesday. Additionally, TikTok also sued Mr. Trump’s administration on an order and considered it “heavily politicized”.

**Deal’s Structuring:**

More details about Tiktok and Oracle’s agreement are not yet unveiled, but the experts pointed towards other deals and partnerships between other foreign companies and the US ones.

When SoftBank, a Japanese union acquired a stake of 78% in the 2013’s Sprint, they agreed on certain conditions for addressing the security-based concerns of the nation. Furthermore, for better provisions, Sprint’s board appointed a newer member intending to smoothly oversee the matters of national security. The justice departments, the US defense, and the Homeland security, all got exclusive powers too for reviewing the deals for some equipment.

Similarly, Center for Strategic and International Studies’ senior Vice president James Lewis mentioned that ByteDance and Oracle will also focus on "oversight, transparency and how they structure it for Americans involved and the information they have on Americans." He is also an advisor on the Sprint deal of SoftBank.

James lewis also added that they might generate a mediatory entity for examining the relationship between TikTok and ByteDance. With the agreement, they might also implement certain limitations for what information ByteDance can access and what it cannot. It might also add some approved American officials on the board of the company.

Harry Broadman, the Berkeley Research Group’s partner, and Foreign Investment Committee's former member considered that even after reaching the consensus, the partnership between TikTok and Oracle will turn out to be extremely complicated.

**New rules of China complicating TikTok’s sale:**

Amid the growing tension between China and the US, the US government went after certain Chinese firms and targeted them like TikTok, Huawei, and WeChat. Trump accused these apps of hindering the security of the nation and exploiting the privacy of the citizens.

Harry Broadman specified that “We're in a different territory where national security issues, particularly with personal information, have risen to the fore.”

On Monday, the media of China reported that ByteDance will sell no operations of TikTok to any US firm, be it Microsoft or Oracle. A broadcaster of the state also added that they will also not share any source code with any of the buyers from the US, as revealed by some of the anonymous sources.

Additionally, the percentage contribution of Beijing in the talks is yet not disclosed, and recently in August 2020 the country also changed certain rules governing the sales of technologies to international buyers. However, the released notices do not disclose the names of the companies, but the experts pointed out the changed rule might need ByteDance to seek permission from the Chinese government before selling TikTok to any foreign firm.

The ministry of Foreign Affairs of China denied commenting on the partnership between Oracle and TikTok before Monday, whenever any reporters asked about the same. Instead of that, the foreign ministry always criticized the campaigns led by the US Government against TikTok.

Wan Wenbin, a spokesperson from China also vocalized that “Without any evidence and under the pretext of national security, they abuse state power and conduct unreasonable suppression and intimidation of non-US companies that have achieved a leading edge in a certain field. We will firmly support relevant companies to safeguard their own legitimate rights and interests.”

**Microsoft’s loss:**

The victory of Oracle in acquiring the deal for the acquisition of US Operations of TikTok led to the failure of Microsoft. Microsoft looked for seeking TikTok’s deal for weeks, and it was also unveiled by several analysts that it was a “coup”, and that too a potential one. They also revealed that TikTok is the fastest growing platform in the social media industry, and Microsoft lost the opportunity to expand its reach with the help of TikTok and get better revenues and customer acquisition.

Also, Microsoft stated in one of their blogs that “We are confident our proposal would have been good for TikTok's users while protecting national security interests. To do this, we would have made significant changes to ensure the service met the highest standards for security, privacy, online safety, and combatting disinformation, and we made these principles clear in our August statement.”

Additionally, Walmart also participated in the negotiations with Microsoft for some potential and critical deals, and the retailers exhibited their interest in how TikTok might support them for better customer acquisition. Walmart also specified on Sunday that “it continues to have an interest in a TikTok investment and continues discussions with ByteDance leadership and other interested parties. We know that any approved deal must satisfy all regulatory and national security concerns.”