

U.S. Congress & President Make Historic Move to (Potentially) Ban TikTok Nationwide



What comes next for ByteDance?

Social Factor Point of View

As attempts to pass H.R. 7521 in the Senate faltered, the House of Representatives, in a bold move, attached the bill to a \$95 billion legislative package, which President Biden signed on April 24, 2024.

While this package provides aid to Ukraine, assistance to Israel and to the people of Gaza, and security for Taiwan and the Indo-Pacific region¹, it also bans TikTok if it's not sold within nine months, with provisions for a three-month extension based on if the president sees progress toward a sale.

According to critics, First Amendment protections may necessitate Congress prove an imminent risk to national security before the platform can be banned. Legislative leaders assert that the current action is within presidential authority to protect the tech sector from the influence of foreign governments. Legal challenges may alter the proposed timeline, but at this point, there are two outcomes for the Chinese-owned company: Either ByteDance sells its shares, allowing an entity not associated with a U.S. adversary to purchase and take charge, or TikTok will no longer be accessible to U.S.-based users through any regular means.

Recommendations

If ByteDance does not divest its stake in TikTok:

- We recommend our clients keep their U.S. or global handles to avoid foreign parties taking over the handles and impersonating the brand.
 - For U.S. handles, Social Factor can offer native moderation through a VDI on an agreed-upon cadence. This will ensure that the comment sections on the dormant U.S. accounts are not a brand risk.
 - For global handles, Social Factor can offer native moderation through a VDI on an agreed-upon cadence. Our clients may also consider having internal team members in countries where TikTok is still available to help maintain the global brand handles.

If ByteDance does divest its stake in TikTok:

- Keep all handles as they are and continue business as usual on the platform.

Additional Consideration

If ByteDance sells its shares of TikTok, we must consider the new owner(s) who buy those shares. As we cannot predict who this will be, it may be prudent to temporarily pause posting organic and paid across TikTok to avoid entanglement in any situations that arise from a contentious figure taking charge.

Threats of this ban have been coming for years. If ByteDance doesn't sell, we'll update this information as we approach the date and keep you apprised of recommendations.

Do you have other questions? We have answers. Reach out at

socialfactor.com/contact

Citations:

1: www.whitehouses.gov