

Trump signs executive order approving takeover of TikTok by US investment consortium

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On Thursday, President Donald Trump signed an executive order approving the TikTok divestiture plan, allowing the popular social media app to continue operating in the US under majority ownership by American investors, including tech company Oracle, private equity firm Silver Lake, and venture capital firm Andreessen Horowitz.

The order implements requirements from a bipartisan national security law passed by Congress in 2024 mandating Chinese parent ByteDance to reduce its US ownership to less than 20 percent, with the remaining shares divided among an American investor consortium and ByteDance's previous stakeholders.

The executive order states:

A plan has been presented to me to undergo a qualified divestiture of TikTok's United States operations, as outlined in a framework agreement (Framework Agreement). Under this Framework Agreement, TikTok's United States application will be operated by a newly established joint venture based in the United States. It will be majority-owned and controlled by United States persons and will no longer be controlled by any foreign adversary, since ByteDance Ltd. and its affiliates will own less than 20 percent of the entity, with the remainder being held by certain investors (Investor Parties).

The order formalizes the establishment of a new joint venture controlling TikTok's US assets, including its highly valued recommendation algorithm, and establishes "protections" for American user data.

The idea that the US government and its corporate partners are going to safeguard the data of Americans is an absurdity. As documented by Edward Snowden in 2013, illegal military-intelligence surveillance of the electronic communications and internet activity of the US public, with the support of the telecommunications industry, has been going on for decades.

The TikTok agreement extends the deadline for enforcement

of the ban on the platform contained in the original language of the Congressional legislation, moving it from September 16 to December 16, 2025, to allow time for the deal to be finalized with China.

Trump's directive says the proposed takeover of TikTok upholds Congressional demands for "qualified divestiture," with most board members being American, and adds that approval by Chinese authorities is required before completion.

The takeover of TikTok's US operations was triggered by anti-China hysteria whipped up by both parties of US imperialism over the past five years. Presided over by the Trump administration, the deal includes a multibillion-dollar government fee as a condition of the transfer.

The deal amounts to a seizure of the Chinese-based app by the US tech oligarchy. While ByteDance, the Chinese parent company, will retain a stake of just under 20 percent (19.9), the US investors are putting up 45 percent of the investment, about \$6 or \$7 billion, and the balance of 35 percent will be provided by the former ByteDance investors. The total value of the TikTok's US assets have been estimated at approximately \$14 billion.

The agreement, portions of which were made public last week, would see ownership of TikTok's technical platform, infrastructure and recommendation algorithm transition to the US consortium.

Cloud and business software giant Oracle (stock market value of \$828 billion), private equity giant Silver Lake (\$104 billion in assets under management), the venture capital firm Andreessen Horowitz (\$46 billion in committed capital) are taking ownership alongside anticipated additions, such as Fox Corp. and technology magnates Michael Dell and Lachlan Murdoch, as well as the Abu Dhabi-based MGX.

The participation of the wide range of partners in the deal is a measure of the capitalist feeding frenzy underway. All the participants in the project, whether they are part of the technical aspects of the takeover or not, are expecting a significant return on their investment.

The platform's powerful recommendation algorithm, which is credited with driving the app's explosive popularity, will be

transferred in code form and re-engineered in the US. The US consortium will have exclusive control over retraining and deploying the algorithm for American users. While ByteDance maintains a substantial minority interest, it loses all access and oversight of user data and algorithm modifications in the US.

Although the exact amount and structure of the fee are not public, a major condition of the deal is the unprecedented multibillion-dollar payment to the US government. Among all the new American partners, Oracle's role is the most technically and politically significant. Already the designated host of TikTok's US cloud data through Project Texas, Oracle is to become the app's algorithm overseer and security authority, directly managing the code and its retraining for American users.

This move, the product of months of negotiation and direct White House participation, is portrayed as an answer to "national security" claims and congressional agitation over Chinese access to user data and digital influence.

The specifics of each investor's financial commitment have also not all been publicly disclosed. However, Oracle's new stake comes on top of its lucrative data-hosting contract. In leveraging Oracle's connections—the company's founder Larry Ellison is a major Trump supporter—the deal provides not just continuity of service but explicit corporate command over the recommendation engine.

The value and investment draw of TikTok lies in its remarkable popularity among American youth and its broad cultural reach. As of 2025, it boasts more than 170 million American users, a user base claimed to have played a role in the 2024 presidential election.

Although he began his 2024 campaign denouncing Chinese ownership of TikTok in xenophobic terms, Trump shifted his position as he began using it to spread his fascist political ideology. The shift underscores the calculated effort to turn what was once a propaganda campaign over "national security" into a massive business opportunity for the American financial oligarchy while also continuing to whip up anti-Chinese sentiments.

Indeed, much of the justification for the transaction is grounded in fear-mongering about foreign manipulation, data theft and hostile influence. These narratives, stoked by both major parties, provided the political cover required to advance what is, ultimately, a theft of a cultural giant by the US financial elite led by the gangster-in-chief in the White House.

If it is finalized, the current deal represents the end point of a years-long effort to ban TikTok that reached a peak in 2020. Trump's executive orders sought first to shutter the app and then to force its sale to a US buyer. Amid massive public opposition, federal courts repeatedly enjoined these measures, but the bipartisan consensus behind driving Chinese technology out of critical markets only solidified as the Biden administration took office.

Biden's White House, with the support of Congress and the

intelligence agencies, encouraged the campaign of threats, casting TikTok simultaneously as a national security risk and a test case for legislative muscle. In 2024, Congress passed a bill mandating divestiture of any "foreign adversary-controlled" social media company, essentially compelling ByteDance either to sell TikTok or face a nationwide ban.

The measure was signed into law by Biden on April 24, 2024, following overwhelming bipartisan support of 360-58 in the House and 79-18 in the Senate. Every turn of the TikTok saga—from the initial Trump bans to Biden's legislative maneuvers, to Trump's orchestrated "solution"—has been justified in the name of anti-communism and extreme American nationalism in the service of capital, global power and technological supremacy. The entire episode is yet another example of the unanimity within the two-party system and complicity of the Democrats with the fascist politics of Donald Trump.

Although no further last-minute interventions are expected from Beijing, as with all business deals involving massive sums of money, nothing is truly certain until all signatures are in place, and the final approval is delivered from both Washington and Beijing.

The TikTok takeover is an example of the process of "decoupling" that has been the subject of debate by the US ruling class as the relationship between the US and China heads for economic and military conflict. At the same time, the Chinese are willing to make the TikTok deal despite its negative financial impact because it allows ByteDance to maintain some level of participation while avoiding a full US ban of the app. By agreeing to relinquish control of the core technical platform and majority ownership, ByteDance retains a commercial interest in TikTok.

Meanwhile, the deal is viewed by Beijing as a concession amid the broader US-China negotiations on tariffs, technology and geopolitical issues and averts, for the time being, a total cutoff from the lucrative US market.



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