

More Time on the Clock for TikTok: Federal Court of Canada Sets Aside Government-Ordered Shut Down of TikTok's Canadian Operations

Stephen I. Selznick, Steven Henderson, Cindy Njoki Kamau

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On January 21, 2026, the Federal Court set aside the Canadian government's order to shut down TikTok Technology Canada's operations, allowing the company to maintain its offices while the matter undergoes further review.¹ The decision, which was made on consent of both TikTok Canada and the Canadian federal government, potentially sets the stage for a more collaborative approach between the government and the social media giant.

By way of background, in November 2024, the federal Minister of Innovation, Science and Industry (Minister) [ordered](#) TikTok Technology Canada Inc. (TikTok Canada) to wind down its domestic operations, citing national security concerns relating to its parent company, ByteDance Ltd., the Chinese company behind the social media platform.² While the order required TikTok Canada to wind down its two physical offices in Canada, the government did not restrict access to, or use of, the TikTok app in Canada.³

The November 2024 order was the result of a multi-step national security review process launched in 2023 by the federal government in collaboration with Canada's national security and intelligence community. The order was made pursuant to the government's powers set out in the [Investment Canada Act](#), which allows the government to review foreign investments in Canada and examine potential risks posed by foreign ownership and data exposure.⁴ In this case, the shutdown order came in the wake of privacy and safety concerns about TikTok Canada and ByteDance that were raised in a [report released in 2023 by the parliamentary committee on public safety and national security](#), which heard concerns over Chinese national security laws that allow the Chinese government to compel organizations in the country to assist with intelligence and "cyber-enabled espionage and foreign interference."⁵ Lawmakers in many countries around the world, including the United States, have expressed similar concerns that these Chinese national security laws could result in ByteDance being required to provide the Chinese government with access to TikTok users' data.

A month after the federal government issued its November 2024 order, TikTok Canada challenged the order in the Federal Court, arguing that the government's measures lacked transparency and a clear connection to alleged security threats. After numerous adjournments, the proceeding concluded in January by way of a brief ruling issued by the Federal Court, setting aside the November 2024 shutdown order and remitting the matter back to the Minister for a new assessment.⁶ The Court's order was on consent of both parties, so no

substantive reasons were provided for the decision.

As a result, the Minister is now set to proceed with a new national security review of TikTok Canada. The fact that the federal government consented to the Court's setting aside order suggests that the government is increasingly turning its mind to the need to weigh the important security risks associated with TikTok Canada against the large and growing role that TikTok plays as a social media platform in Canadian society, and TikTok's influence as a platform for expression and exchange of ideas in Canada.

Notably, and perhaps consciously, the Federal Court's order was released just one day before it was [reported](#) that ByteDance had finalized a deal with the US federal government pursuant to which the TikTok app will be operated in the US by a majority American-owned joint venture company.⁷ That deal follows the US congressional bill banning TikTok in the US unless a qualified divestment was made due to similar national security concerns as those identified by the Canadian government. It remains to be seen how the TikTok US joint venture will inform the Minister's new national security review of TikTok Canada.

The [Cassels Entertainment & Sports Law](#) team will continue to monitor developments in this area. If you have any questions about the contents of this article, please reach out to the authors of this article or any member of our team.

¹ Catharine Tunney, "Federal Court overturns order forcing TikTok to shut down Canadian operations" (22 January 2026), online: CBC News <<https://www.cbc.ca/news/politics/tiktok-canada-review-1.7375965>> ["CBC News"].

² Innovation, Science and Economic Development Canada, "Government of Canada orders the wind-up of TikTok Technology Canada Inc. following a national security review under the Investment Canada Act" (7 November 2024), online: Government of Canada <<https://www.canada.ca/en/innovation-science-economic-development/news/2024/11/government-of-canada-orders-the-wind-up-of-tiktok-technology-canada-inc-following-a-national-security-review-under-the-investment-canada-act.html>>.

³ CBC News, *supra* note 1.

⁴ *Investment Canada Act*, RSC 1985, c I?21.

⁵ Canada, House of Commons, *Parliamentary Committee Notes: Security Concerns with TikTok Social Media Application, Bill C?26: An Act Respecting Cybersecurity* (Parliamentary Committee Binder, [2023]).

⁶ Josh Scott, "Court allows TikTok to continue operating in Canada—for now" (23 January 2026), online: BetaKit <<https://betakit.com/court-allows-tiktok-to-continue-operating-in-canada-for-now/>>.

⁷ Thomson Reuters, "TikTok parent company finalizes deal to keep video-sharing app operating in the U.S." (22 January 2026), online: CBC News <<https://www.cbc.ca/news/world/tiktok-bytedance-trump-deal-9.7057390>>.