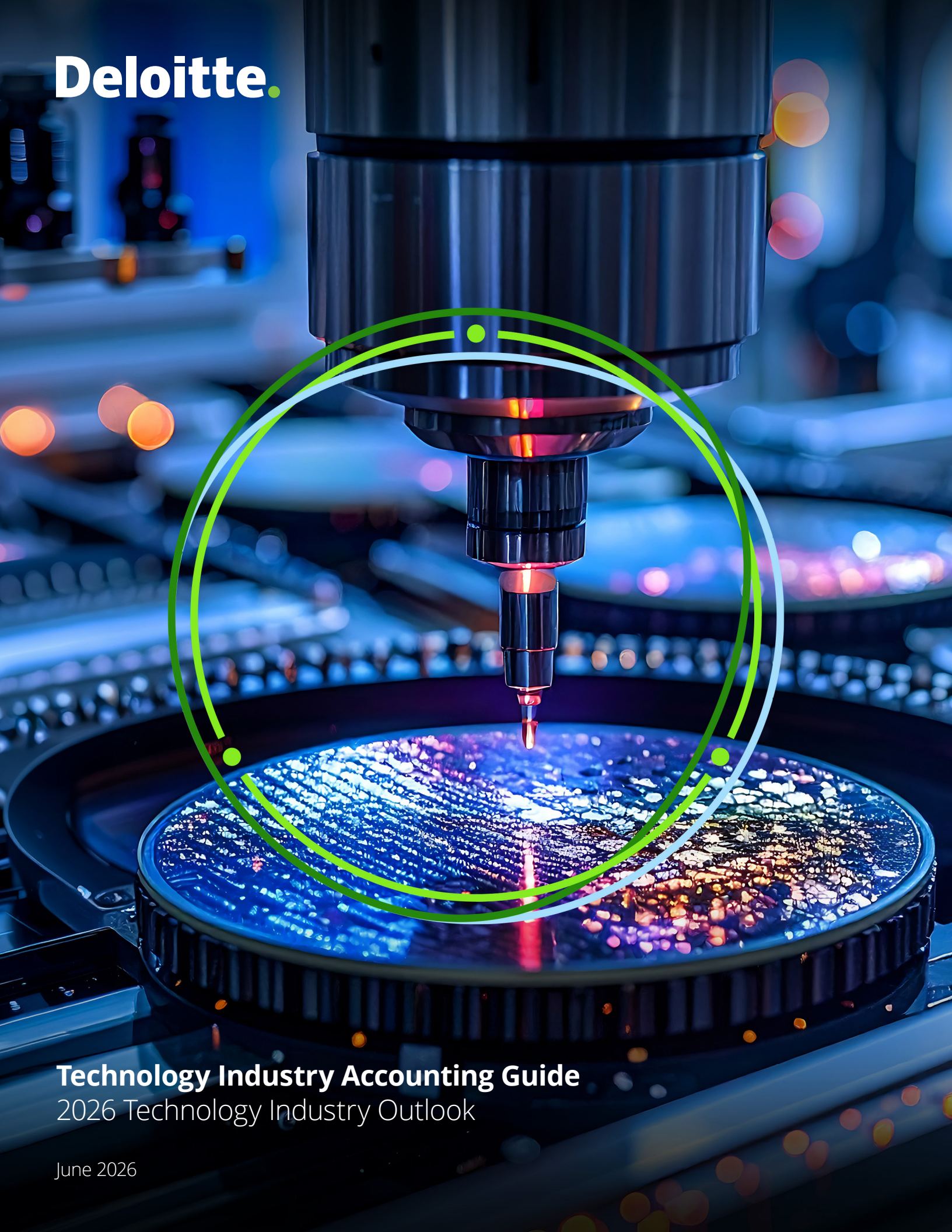


A futuristic laboratory scene featuring a robotic arm with a glowing red tip positioned over a petri dish containing a shimmering, iridescent substance. The background is filled with blurred laboratory equipment and colorful bokeh lights. A green orbital graphic with three dots is superimposed over the central elements.

Deloitte.

Technology Industry Accounting Guide
2026 Technology Industry Outlook

June 2026

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Other Deloitte Publications

Other Deloitte publications, such as our [Roadmap Series](#), are available on the [Deloitte Accounting Research Tool \(DART\)](#), a comprehensive online library of accounting and financial disclosure literature. The Roadmap series includes titles on the following topics:

Business Acquisitions — SEC Reporting Considerations

Business Combinations

Carve-Out Financial Statements

Comparing IFRS Accounting Standards and U.S. GAAP

Consolidation — Identifying a Controlling Financial Interest

Contingencies, Loss Recoveries, and Guarantees

Contracts on an Entity's Own Equity

Current Expected Credit Losses

Debt

Derivatives

Digital Assets

Distinguishing Liabilities From Equity

Earnings per Share

Environmental Obligations and Asset Retirement Obligations

Equity Method Investees — SEC Reporting Considerations

Equity Method Investments and Joint Ventures

Fair Value Measurements and Disclosures (Including the Fair Value Option)

Foreign Currency Matters

Goodwill and Intangible Assets

Greenhouse Gas Protocol Reporting Considerations

Guarantees and Collateralizations — SEC Reporting Considerations

Hedge Accounting

Impairments and Disposals of Long-Lived Assets and Discontinued Operations

Income Taxes

Initial Public Offerings

Leases

Noncontrolling Interests

Non-GAAP Financial Measures and Metrics

Revenue Recognition

SEC Comment Letter Considerations, Including Industry Insights

Segment Reporting

Share-Based Payment Awards

Statement of Cash Flows

Transfers and Servicing of Financial Assets

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Appendix B — Abbreviations

Preface

We are pleased to present the 2026 edition of Deloitte's *Technology Industry Accounting Guide* (the "Guide").

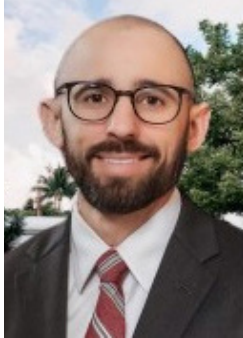
The technology industry ecosystem encompasses a wide array of entities, from enterprise software and software-as-a-service (SaaS) providers to hardware and semiconductor manufacturers. The technology industry has also experienced convergence with other types of businesses, creating subsectors such as fintech, health tech, energy tech, education tech, and auto tech, to name a few. Many entities have fueled the significant growth of the technology industry by embracing emerging technologies such as artificial intelligence (AI) and machine learning, everything as a service (XaaS) powered by the cloud, robotics, the Internet of Things (IoT), blockchain, and edge computing. Continuous innovation by technology entities produces novel business models while introducing potentially complex accounting and financial reporting matters.

Finance and accounting professionals in the technology industry face complex issues and must exercise significant judgment in applying existing rules to matters such as revenue recognition, software-related costs, acquisitions and divestitures, consolidation, stock-based compensation, leases, financial instruments, income taxes, initial public offerings (IPOs), and disclosures of non-GAAP measures and metrics. To help technology entities work through some of the more difficult accounting and financial reporting issues related to these and other relevant topics, this Guide includes interpretive guidance, illustrative examples, and discussion of recent standard-setting developments (through June 16, 2026).

[Appendix A](#) lists the titles of standards and other literature we cited, and [Appendix B](#) defines the abbreviations we used. Substantive changes made to this Guide since publication of the 2025 edition are summarized in Appendix C.

We hope this Guide is helpful in navigating the various accounting and reporting challenges that technology entities face. We encourage clients to contact their Deloitte team for additional information and assistance.

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Chapter 1 — 2026 Technology Industry Outlook

For information about the biggest technology trends expected to shape the technology industry in 2026, including the impact of AI, semiconductor industry growth, and the future of connectivity, see Deloitte's [Technology, Media, and Telecommunications \(TMT\) Outlooks](#).

Appendix A — Titles of Standards and Other Literature

AICPA Literature

Accounting and Valuation Guides

Assets Acquired to Be Used in Research and Development Activities

Valuation of Privately-Held-Company Equity Securities Issued as Compensation

Audit and Accounting Guide

Revenue Recognition

FASB Literature

ASC Topics

ASC 205, Presentation of Financial Statements

ASC 210, Balance Sheet

ASC 235, Notes to Financial Statements

ASC 260, Earnings per Share

ASC 270, Interim Reporting

ASC 275, Risks and Uncertainties

ASC 310, Receivables

ASC 320, Investments — Debt Securities

ASC 321, Investments — Equity Securities

ASC 323, Investments — Equity Method and Joint Ventures

ASC 325, Investments — Other

ASC 326, Financial Instruments — Credit Losses

ASC 330, Inventory

ASC 340, Other Assets and Deferred Costs

ASC 350, Intangibles — Goodwill and Other

ASC 360, Property, Plant, and Equipment

ASC 405, *Liabilities*
ASC 410, *Asset Retirement and Environmental Obligations*
ASC 450, *Contingencies*
ASC 460, *Guarantees*
ASC 470, *Debt*
ASC 480, *Distinguishing Liabilities From Equity*
ASC 505, *Equity*
ASC 605, *Revenue Recognition*
ASC 606, *Revenue From Contracts With Customers*
ASC 610, *Other Income*
ASC 705, *Cost of Sales and Services*
ASC 710, *Compensation — General*
ASC 712, *Compensation — Nonretirement Postemployment Benefits*
ASC 715, *Compensation — Retirement Benefits*
ASC 718, *Compensation — Stock Compensation*
ASC 720, *Other Expenses*
ASC 730, *Research and Development*
ASC 740, *Income Taxes*
ASC 805, *Business Combinations*
ASC 808, *Collaborative Arrangements*
ASC 810, *Consolidation*
ASC 815, *Derivatives and Hedging*
ASC 820, *Fair Value Measurement*
ASC 825, *Financial Instruments*
ASC 842, *Leases*
ASC 845, *Nonmonetary Transactions*
ASC 850, *Related Party Disclosures*
ASC 860, *Transfers and Servicing*
ASC 912, *Contractors — Federal Government*
ASC 944, *Financial Services — Insurance*
ASC 985, *Software*

ASUs

ASU 2014-01, *Investments — Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Qualified Affordable Housing Projects* — a consensus of the FASB Emerging Issues Task Force

ASU 2014-09, *Revenue From Contracts With Customers (Topic 606)*

ASU 2016-08, *Revenue From Contracts With Customers (Topic 606): Principal Versus Agent Considerations (Reporting Revenue Gross Versus Net)*

ASU 2016-10, *Revenue From Contracts With Customers (Topic 606): Identifying Performance Obligations and Licensing*

ASU 2016-12, *Revenue From Contracts With Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*

ASU 2016-13, *Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*

ASU 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue From Contracts With Customers*

ASU 2018-11, *Leases (Topic 842): Targeted Improvements*

ASU 2018-15, *Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract* — a consensus of the FASB Emerging Issues Task Force

ASU 2021-02, *Franchisors — Revenue From Contracts With Customers (Subtopic 952-606): Practical Expedient*

ASU 2021-04, *Earnings per Share (Topic 260), Debt — Modifications and Extinguishments (Subtopic 470-50), Compensation — Stock Compensation (Topic 718), and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40): Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options* — a consensus of the FASB Emerging Issues Task Force

ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities From Contracts With Customers*

ASU 2023-05, *Business Combinations — Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement*

ASU 2024-02, *Codification Improvements — Amendments to Remove References to the Concepts Statements*

ASU 2025-04, *Compensation — Stock Compensation (Topic 718) and Revenue From Contracts With Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer*

ASU 2025-06, *Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*

ASU 2025-07, *Derivatives and Hedging (Topic 815) and Revenue From Contracts With Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration From a Customer in a Revenue Contract*

Concepts Statements

No. 5, *Recognition and Measurement in Financial Statements of Business Enterprises*

No. 8, *Conceptual Framework for Financial Reporting — Chapter 4, Elements of Financial Statements*

IRC

Section 382, “Limitation on Net Operating Loss Carryforwards and Certain Built-In Losses Following Ownership Change”

Section 409A, “Inclusion in Gross Income of Deferred Compensation Under Nonqualified Deferred Compensation Plans”

IFRS Literature

IFRS 15, *Revenue From Contracts With Customers*

IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*

SEC Literature

FRM

Topic 7, “Related Party Matters”

Topic 10, “Emerging Growth Companies”

Interpretive Release

No. 33-10751, *Commission Guidance on Management’s Discussion and Analysis of Financial Condition and Results of Operations*

Regulation S-K

Item 10(e), “General; Use of Non-GAAP Financial Measures in Commission Filings”

Item 103, “Business; Legal Proceedings”

Item 303, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”

Regulation S-X

Rule 3-13, “Filing of Other Financial Statements in Certain Cases”

Rule 5-03, “Statements of Comprehensive Income”

Rule 11-01, “Presentation Requirements”

SAB Topic

No. 1, “Financial Statements”

- No. 1.B, “Allocation of Expenses and Related Disclosure in Financial Statements of Subsidiaries, Divisions or Lesser Business Components of Another Entity”
- No. 1.M, “Materiality”

Securities Exchange Act of 1934

Section 13, “Periodical and Other Reports”

Section 15(d), “Registration and Regulation of Brokers and Dealers; Supplementary and Periodic Information”

Superseded Literature

AICPA Technical Questions and Answers

Section 5100.68, "Revenue Recognition: Fair Value of PCS in Perpetual and Multi-Year Time-Based Licenses and Software Revenue Recognition"

FASB Concepts Statement

No. 6, *Elements of Financial Statements* — a replacement of FASB Concepts Statement No. 3 (incorporating an amendment of FASB Concepts Statement No. 2)

FASB Statement

No. 141, *Business Combinations*

Other Literature

FASB TRG Agenda Papers

TRG Agenda Paper 23, *Incremental Costs of Obtaining a Contract*

TRG Agenda Paper 41, *Measuring Progress When Multiple Goods or Services Are Included in a Single Performance Obligation*

TRG Agenda Paper 44, *July 2015 Meeting — Summary of Issues Discussed and Next Steps*

TRG Agenda Paper 57, *Capitalization and Amortization of Incremental Costs of Obtaining a Contract*

TRG Agenda Paper 59, *Payments to Customers*

TRG Agenda Paper 60, *November 2016 Meeting — Summary of Issues Discussed and Next Steps*

Appendix B — Abbreviations

Abbreviation	Description
AI	artificial intelligence
AICPA	American Institute of Certified Public Accountants
API	application programming interface
ASC	FASB Accounting Standards Codification
ASR	accelerated share repurchase
ASU	FASB Accounting Standards Update
BC	Basis for Conclusions
BTC	bitcoin
CAM	critical audit matter
CAQ	Center for Audit Quality
CCA	cloud computing arrangement
CECL	current expected credit loss
CFI	SEC corporation finance interpretation
CIMA	Chartered Institute of Management Accountants
CPM	cost per mille
CPU	central processing unit
CRM	customer relationship management
CTV	connected television
DLOM	discount for lack of marketability
DTA	deferred tax asset
DTL	deferred tax liability
EBITDA	earnings before interest, taxes, depreciation, and amortization
EDGAR	SEC's Electronic Data Gathering, Analysis, and Retrieval System

Abbreviation	Description
EGC	emerging growth company
EITF	FASB Emerging Issues Task Force
EPS	earnings per share
ERP	enterprise resource planning
EULA	end user license agreement
ex-TAC	excluding traffic acquisition costs
Exchange Act or the 1934 Act	Securities Exchange Act of 1934
FASB	Financial Accounting Standards Board
FAST Act	Fixing America's Surface Transportation Act
FIFO	first in, first out
FinREC	AICPA's Financial Reporting Executive Committee
FRM	SEC Financial Reporting Manual
GAAP	generally accepted accounting principles
GAAS	generally accepted auditing standards
GPU	graphics processing unit
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IC	independent contractor
ICFR	internal control over financial reporting
IFRS	International Financial Reporting Standard
IoT	Internet of Things
IP	intellectual property

Abbreviation	Description
IPO	initial public offering
IPR&D	in-process research and development
IRC	Internal Revenue Code
IT	information technology
JOBS Act	Jumpstart Our Business Startups Act
KPI	key performance indicator
LLC	limited liability company
LLM	large language model
M&A	merger and acquisition
MD&A	Management's Discussion and Analysis
MSA	master service agreement
NLP	natural language processing
NOL	net operating loss
OCA	SEC's Office of the Chief Accountant
OEM	original equipment manufacturer
PBE	public business entity
PCAOB	Public Company Accounting Oversight Board
PCS	postcontract customer support
Q&A	question and answer
R&D	research and development
RAM	random-access memory

Abbreviation	Description
RMN	retail media network
ROAS	return on ad spending
ROU	right-of-use
RTB	real-time bidding
S&P 500	Standard & Poor's 500 stock market index
SaaS	software as a service
SAB	SEC Staff Accounting Bulletin
Sarbanes-Oxley	Sarbanes-Oxley Act of 2002
SEC	U.S. Securities and Exchange Commission
Securities Act or the 1933 Act	Securities Act of 1933
SG&A	selling, general, and administrative
SKU	stock-keeping unit
SPAC	special-purpose acquisition company
SRC	smaller reporting company
SSP	stand-alone selling price
TMT	technology, media, and telecommunications
TRG	FASB/IASB transition resource group for revenue recognition
VIE	variable interest entity
USD	U.S. dollar
XaaS	everything as a service



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