Deloitte.

Technology Industry Accounting Guide

Other Accounting and Financial Reporting Topics:
Stock-Based Compensation

March 2023

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 Transactions

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

Convertible Debt (Before Adoption of ASU 2020-06)

Current Expected Credit Losses

Debt

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

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

Contents

Preface

We are pleased to present the inaugural 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, digital assets, 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 February 28, 2023).

Appendix A lists the titles of standards and other literature we cited, and Appendix B defines the abbreviations we used.

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.

Contacts

Sandie Kim
National Office Senior Consultation Partner, Accounting and Reporting Services
Technology Deputy Industry Professional Practice Director
Deloitte & Touche LLP
+1 415 783 4848
sandkim@deloitte.com

Michael Wraith
Audit & Assurance Partner
Technology Industry Professional Practice Director
Deputy Managing Partner — Monitoring
Deloitte & Touche LLP
+1 619 237 6552
mwraith@deloitte.com

Dan Le
Audit & Assurance Partner
Technology Deputy Industry Professional Practice Director
Deloitte & Touche LLP
+1 206 716 6015
dle@deloitte.com

Christie Simons
Audit & Assurance Partner
U.S. Audit & Assurance TMT Industry Leader
Global Semiconductor Industry Leader
Deloitte & Touche LLP
+1 415 783 4777
csimons@deloitte.com

Jean-Denis Ncho Oguie
Audit & Assurance Partner
U.S. Audit & Assurance Technology Industry Leader
Deloitte & Touche LLP
+1 415 783 6600
jnchooguie@deloitte.com

Chapter 5 — Other Accounting and Financial Reporting Topics

5.4 Stock-Based Compensation

To incentivize employee and nonemployee performance and align the interests of grantees and shareholders, technology entities often grant stock-based compensation awards such as stock options, restricted stock, restricted stock units, stock appreciation rights, and other equity-based instruments in exchange for goods or services or consideration paid to a customer. Such awards are accounted for under ASC 718. The amount of compensation cost to recognize is generally based on the fair value of the stock-based compensation arrangement, and ASC 718 requires entities to apply a "fair-value-based measurement method" when accounting for such arrangements.

For more information about accounting for stock-based compensation, see Deloitte's Roadmap *Share-Based Payment Awards*.

5.4.1 Valuation Considerations

Technology entities that are publicly traded typically use the observable market price in an active market to value the equity shares underlying a stock-based compensation award. However, observable market prices for a nonpublic entity's equity shares may not exist. In such an instance, a nonpublic entity could apply many of the principles of ASC 820 to determine the fair value of its common stock, often by using either a market approach or an income approach (or both). A nonpublic entity may apply a "top-down method," which involves first valuing the entity, then subtracting the fair value of debt, and then using the resulting equity valuation as a basis for allocating the equity value among the entity's different classes of equity securities. A nonpublic entity may also look to recent sales of its equity shares directly to investors or other transactions in secondary markets.

While not authoritative, the AICPA's Accounting and Valuation Guide *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* (the "AICPA Valuation Guide") provides useful interpretive and best-practice guidance for valuing the equity securities of nonpublic entities. It discusses, among other topics, possible methods of allocating enterprise value to underlying securities, enterprise- and industry-specific attributes that should be considered in the determination of fair value, best practices for supporting fair value, and recommended disclosures for a registration statement. The AICPA Valuation Guide also emphasizes the importance of contemporaneous valuations from independent valuation specialists to determine the fair value of equity securities. Further, the AICPA Valuation Guide highlights differences between pre-IPO and post-IPO valuations. One significant difference is that the valuation of nonpublic entity securities often includes a discount for lack of marketability (DLOM). The DLOM can be determined by using several valuation techniques and is significantly affected by the underlying volatility of the stock and the period the stock is illiquid.

For more information, see Section 4.12 of Deloitte's Roadmap *Share-Based Payment Awards*.

5.4.1.1 Cheap Stock

The SEC often focuses on "cheap stock"[1] issues in connection with a nonpublic entity's preparation for an IPO. The SEC staff is interested in the rationale for any difference between the fair value measurements of the underlying common stock of stock-based compensation awards and the anticipated IPO price. In addition, the SEC staff will challenge valuations that are significantly lower than prices paid by investors to acquire similar stock. If the differences cannot be reconciled, a nonpublic entity may be required to record a cheap-stock charge. Since stock-based compensation awards are often a compensation tool to attract and retain employees or nonemployees, a cheap-stock charge could be material and, in some cases, lead to a restatement of the financial statements.

An entity preparing for an IPO should refer to paragraph 7520.1 of the SEC Division of Corporation Finance's (the "Division's") Financial Reporting Manual (FRM), which outlines considerations for registrants when the "estimated fair value of the stock is substantially below the IPO price." In such situations, registrants should be able to reconcile the change in the estimated fair value of the underlying equity between the award grant date and the IPO by taking into account, among other things, intervening events and changes in assumptions that support the change in fair value.

For more information, see Section 4.12.1 of Deloitte's Roadmap *Share-Based Payment Awards*.

5.4.1.2 Internal Revenue Code Section 409A

When granting stock-based compensation awards, a nonpublic entity should be mindful of the tax treatment of such awards and the related implications. Section 409A of the Internal Revenue Code (IRC) contains requirements related to nonqualified deferred compensation plans that can affect the taxability of holders of stock-based compensation awards. If a nonqualified deferred compensation plan (e.g., one issued in the form of stock-based compensation) fails to comply with certain IRC rules, the tax implications and penalties at the federal level (and potentially the state level) can be significant. Accordingly, it is imperative to establish a supportable fair market value of the stock to avoid unintended tax consequences for the issuer and holder. For more information, see Section 4.12.2 of Deloitte's Roadmap *Share-Based Payment Awards*.

5.4.2 Common-Stock Repurchase Transactions

Certain stock transactions with employees, former employees, nonemployee providers of goods or services, and customers of a nonpublic entity (collectively referred to as "grantees") involve significant judgment and complexities that may have a material impact on the nonpublic entity's financial statements. In addition, such transactions often have certain tax implications for both the nonpublic entity and its employees. These stock transactions can be between (1) the nonpublic entity and its grantees or (2) investors and the nonpublic entity's grantees.

5.4.2.1 Nonpublic Entity Purchases Shares From Grantees

To give their grantees liquidity (or for other reasons), nonpublic entities may sometimes repurchase vested common stock from them. In some cases, the price paid for the shares exceeds their fair value at the time of the transaction. When a nonpublic entity repurchases common shares from its grantees at an amount greater than the estimated fair value of the shares at the time of the transaction, the excess of the purchase price over the fair value of the common shares generally represents compensation cost. In addition, an entity's past practice of repurchasing shares, or an arrangement that permits repurchase, could affect the classification of stock-based compensation awards. For more information, see Section 4.12.3.1 of Deloitte's Roadmap *Share-Based Payment Awards*.

[1] Cheap stock refers to issuances of equity securities before an IPO in which the value of the shares is below the IPO price.

5.4.2.2 Investor Purchases of Shares From Grantees

On occasion, existing investors (such as private equity, hedge fund, or venture capital investors) intending to increase their stake in an emerging nonpublic entity may undertake transactions with other shareholders in connection with or separately from a recent financing round (e.g., a recent issuance of preferred stock). These transactions may include the purchase of shares of common or preferred stock (typically common stock) by investors from the founders of the nonpublic entity or other individuals who are also considered grantees. Because the secondary transactions are between grantees of the nonpublic entity and existing shareholders and are related to the transfer of outstanding shares, the nonpublic entity may not be directly involved in them (though it may be indirectly involved by facilitating the exchange or not exercising a right of first refusal). In other circumstances, the nonpublic entity may be actively involved in effecting a tender offer through activities such as determining or negotiating the purchase price, determining which grantees and investors can participate, or determining how many shares can be sold in the secondary transaction.

A secondary transaction may be an arm's-length fair value transaction or may otherwise provide an indication of the fair value of the entity's common stock. Such a transaction is likely to be relevant in the nonpublic entity's common stock valuation, which is typically performed by a third-party valuation firm to ensure compliance with IRC Section 409A and determine the fair-value-based measure of the nonpublic entity's stock-based compensation arrangements.

If the price paid for the shares exceeds their fair value at the time of the secondary transaction, the nonpublic entity will typically recognize the excess as compensation cost. The presumption in such a transaction is that the excess is compensation paid to grantees, and we believe that it would be difficult for an entity to demonstrate that the non–fair value transaction with grantees is clearly for purposes other than compensation. It is important for a nonpublic entity to recognize that this type of transaction may be subject to the guidance in ASC 718 because the investors are considered to be holders of an economic interest in the entity. In addition, when new investors participate in a secondary transaction with a compensatory element, they may not be dissimilar to parties that already hold economic interests in the nonpublic entity and may have similar motivations to compensate employees even though they may not hold economic interests in the entity before entering into the transaction.

Investors purchasing common stock in a secondary transaction may pay a price that is the same as, or at a small discount from, the price paid for convertible preferred stock concurrently or recently issued. In these and other circumstances in which common stock is purchased from grantees, nonpublic entities will need to carefully consider whether the price paid is an indication of the fair value of the common stock or is compensatory. While there may be indicators that the transaction is compensatory (e.g., the entity actively facilitated the transaction by determining or negotiating the purchase price and the sellers were limited to grantees), significant judgment is required in making this assessment, and all facts and circumstances related to the transaction should be considered. If the facts and circumstances reflect mixed indicators that the transaction is both an indication of the fair value of the common stock and compensatory, an entity should consider whether it should both (1) provide some weighting of the observable price in its fair value estimation in conjunction with other valuation approaches and (2) recognize compensation cost for any difference between the price paid and the ultimate fair value determination.

Shares purchased from grantees by a related party or an economic interest holder may include shares that have been vested (or have been issued as a result of the exercise of options) for less than six months (i.e., the shares are considered immature). We do not believe that a reporting entity would generally consider a history of investor purchases of immature shares from grantees (regardless of whether such purchases are conducted at fair value or at an amount that exceeds fair value) when assessing whether it has established a past practice of settling immature shares that results in a substantive liability. Generally, if the reporting entity otherwise classifies the shares as equity, purchases of such shares by the related party or economic interest holder do not satisfy a liability on the reporting entity's behalf. Rather, the purchaser (often through a tender offer to grantees that is, in part, organized by the reporting entity) is making an investment decision to establish or increase its ownership interest in the reporting entity and thereby is the party making a payment as the principal in the purchase transaction with grantees. Accordingly, a related party or an economic interest holder that directly makes such a purchase from grantees would not change the substantive terms of the stock-based compensation arrangement that requires the reclassification of the shares from equity to a liability.

For more information, see Section 4.12.3.2 of Deloitte's Roadmap *Share-Based Payment Awards*.

5.4.2.3 Tax Considerations

For tax purposes, stock repurchases are generally treated either as capital (e.g., capital gain) or as dividend-equivalent redemptions (e.g., ordinary dividend income to the extent that the entity has earnings and profits). Repurchases from grantees (e.g., current or former employees or independent contractors) give rise to questions about whether any of the proceeds should be treated as compensation for tax purposes. For more information, see Section 4.12.3.2.2 of Deloitte's Roadmap *Share-Based Payment Awards*.

5.4.3 SEC Comment Letter Trends

The SEC staff's comments about stock-based compensation frequently focus on (1) compliance with the required disclosures in ASC 718-10-50-2, (2) cheap stock considerations, (3) secondary transactions (including entity repurchases of shares from grantees), (4) significant valuation assumptions for options such as volatility and expected term, (5) accounting for profits interests, and (6) presentation of stock-based compensation expense. Many of these areas of focus are particularly relevant for financial reporting periods preceding the date on which an entity goes public.

For more information, see Section 2.21 of Deloitte's Roadmap *SEC Comment Letter Considerations, Including Industry Insights*.

Appendix A — Titles of Standards and Other Literature

AICPA Literature

Accounting and Valuation Guide

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

Audit and Accounting Guide

Revenue Recognition

Practice Aid

Accounting for and Auditing of Digital Assets

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 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 840, *Leases*

ASC 842, *Leases*

ASC 845, *Nonmonetary Transactions*

ASC 848, *Reference Rate Reform*

ASC 860, *Transfers and Servicing*

ASC 940, *Financial Services — Brokers and Dealers*

ASC 944, *Financial Services — Insurance*

ASC 946, *Financial Services — Investment Companies*

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 2018-07, *Compensation — Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*

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 2019-08, *Compensation — Stock Compensation (Topic 718) and Revenue From Contracts With Customers (Topic 606): Codification Improvements — Share-Based Consideration Payable to a Customer*

ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*

ASU 2020-06, *Debt — Debt With Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*

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 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*

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

Proposed ASU

No. 2022-ED300, *Business Combinations — Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement*

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 Topics

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"

No. 5.Y, "Miscellaneous Accounting; Accounting and Disclosures Relating to Loss Contingencies"

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 Practice Aid

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

EITF Abstract

Issue No. 01-8, *Determining Whether an Arrangement Contains a Lease*

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)

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
ASC	FASB Accounting Standards Codification
ASR	accelerated share repurchase
ASU	FASB Accounting Standards Update
BC	Basis for Conclusions
BCF	beneficial conversion feature
C&DI	SEC Compliance and Disclosure Interpretation
CAM	critical audit matter
CAQ	Center for Audit Quality
CCF	cash conversion feature
CECL	current expected credit loss
CIMA	Chartered Institute of Management Accountants
CPM	cost per mille
CRM	customer relationship management
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
EGC	emerging growth company
EITF	FASB Emerging Issues Task Force
EPS	earnings per share

Abbreviation	Description
ERP	enterprise resource planning
ex-TAC	excluding traffic acquisition costs
Exchange 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 Financial Reporting Executive Committee
FRM	SEC Financial Reporting Manual
GAAP	generally accepted accounting principles
GAAS	generally accepted auditing standards
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
IPO	initial public offering
IPR&D	in-process research and development
IRC	Internal Revenue Code
IT	information technology

Abbreviation	Description
JOBS Act	Jumpstart Our Business Startups Act
KPI	key performance indicator
LIBOR	London Interbank Offered Rate
LIFO	last in, first out
LLC	limited liability company
M&A	merger and acquisition
MD&A	Management's Discussion and Analysis
NFT	nonfungible token
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
RMN	retail media network
ROU	right-of-use

Abbreviation	Description
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	Securities Act of 1933
SG&A	selling, general, and administrative
SKU	separate stock-keeping unit
SPAC	special-purpose acquisition company
SRC	smaller reporting company
SSP	stand-alone selling price
TMT	Technology, Media, & Telecommunications
TPA	AICPA Technical Practice Aid
TRG	FASB/IASB transition resource group for revenue recognition
VIE	variable interest entity
XaaS	everything as a service

Deloitte.