



Addressing top-of-mind technology, media, and telecom issues

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Accounting and regulatory landscape



The technology, media, and telecom (TMT) sector is navigating significant changes in accounting and regulatory requirements: in particular, new FASB standards updates around segment reporting and disaggregation of income statement expenses (DISE). These updates aim to enhance transparency and comparability in financial reporting. Companies are responding in different ways—while some are providing more granular details, others are opting for high-level disclosures.

The updated segment reporting rule now requires disclosure of segment-level expenses. This creates a challenge: how to stay compliant without revealing sensitive data. The DISE standard, effective from 2027, mandates the breakdown of income statement expenses into natural expense categories. This could mean a significant overhaul of Enterprise Resource Planning (ERP) systems.

To stay ahead, TMT companies may consider training their teams and educating stakeholders. They should also review and update their financial reporting processes and systems to ensure compliance.



Potential actions

TMT companies can strengthen compliance and transparency by taking these actions:

- **Understand new standards:** Develop a comprehensive understanding of the new FASB standards on segment reporting and DISE.
- **Assess impact:** Evaluate how these changes affect your company's financial reporting and ERP systems.
- **Educate stakeholders:** Inform C-suite leaders, board members, and investors about new disclosure requirements.
- **Update processes:** Review and enhance financial reporting processes and systems to ensure compliance.
- **Collaborate for best practices:** Work with industry peers to share solutions and address common challenges.



Thought leadership

- [Corporate Controller & CAO Hot Topics: Segment Reporting and DISE](#)
- [Handbook: Accounting for income taxes](#)
- [FASB issues final ASU on software cost accounting](#)
- [Handbook: Segment reporting](#)

Tax implications



The “One Big Beautiful Bill” (OB BB) introduces major changes to US tax law, directly affecting TMT companies. It makes several provisions from the 2017 Tax Cuts and Jobs Act permanent and keeps the corporate tax rate at 21 percent.

Key changes include increased depreciation allowances, modifications to research and experimental expenditures, and adjustments to business interest deductions.

TMT companies should try to understand the accounting and financial reporting implications of these changes. They are particularly relevant when it comes to current and deferred taxes, as well as valuation allowances. The bill's effects on cash taxes and effective tax rates (ETRs) will vary depending on entity-specific factors. For instance, domestic provisions may decrease cash taxes in the short term, while international provisions may increase cash taxes and ETRs.

TMT executives should reassess their global treasury practices, international ownership structures, and tax planning strategies in consideration of the OB BB.



Potential actions

TMT companies can optimize their tax strategies and financial outcomes through these actions:

- **Review treasury and ownership:** Reassess global treasury practices and international ownership structures.
- **Evaluate tax effects:** Analyze the impact of OB BB on current and deferred taxes.
- **Optimize tax planning:** Update tax strategies to improve cash taxes and ETRs.
- **Consider energy credits:** Examine how changes to energy tax credits affect financial reporting.
- **Assess allowances and deductions:** Review implications of increased depreciation allowances and business interest deductions.



Thought leadership

- [One Big Beautiful Bill – IFRS® Accounting Standards](#)
- [Accounting for One Big Beautiful Bill](#)

AI's role in shaping the future of finance



For finance leaders in TMT, mastering artificial intelligence (AI) is no longer optional. It's an integral part of transforming financial operations. The shift from scattered experimentation to implementation in workflows and centralized governance requires strong executive oversight. AI tools need to be vetted, integrated, and aligned with business goals to unlock efficiency and competitive advantage.

As Fortune 500 companies ramp up AI investments, finance leaders may consider evaluating AI initiatives carefully. The goal continues to be to maximize returns, drive innovation, and maintain strict governance. Moving from pilot projects to full-scale AI integration offers a unique opportunity. AI can boost accuracy, streamline processes, and enable data-driven decisions. The challenge lies in balancing AI capabilities with human judgment to ensure technology enhances, not replaces, critical oversight. Human oversight and judgment remain essential, especially for complex decisions.

Finance leaders should try to prepare teams for a future where AI agents work alongside humans. Success depends on strategic implementation and a thoughtful blend of innovation and human insight.



Potential actions

TMT companies can unlock greater efficiency and innovation in finance by taking these actions:

- **Establish AI governance:** Create a centralized framework to align AI initiatives with business objectives and security standards.
- **Optimize processes:** Integrate AI across workflows to drive efficiency and growth.
- **Balance human and AI collaboration:** Ensure human oversight remains central for complex decisions and creative problem solving.
- **Prioritize data governance:** Maintain high standards for data quality and accessibility to support effective AI deployment.
- **Strategic resource allocation:** Direct funding toward AI projects that align with strategic priorities.



Thought leadership

- [Future of Finance: How CFOs are Navigating All Things AI](#)
- [CFOs and AI: The duo disrupting finance](#)
- [The Geopolitics Shaping AI: A boardroom perspective](#)

Cybersecurity considerations



Chief Information Security Officers (CISOs) in TMT companies face complex challenges in protecting their organizations from sophisticated cyberthreats. The digitization of products and services expands the attack surface, making CISOs crucial to safeguarding data and ensuring regulatory compliance. They should also build trust among stakeholders and align cybersecurity strategies with business objectives to drive revenue, maintain reputation, and secure competitive advantages. This momentum is prompting TMT companies to adopt new strategies, such as leveraging automation, AI, and centralized cybersecurity platforms, to manage risks more effectively and streamline decision-making.

Six key cybersecurity trends for TMT companies:

1. **Industry convergence:** More products and delivery channels require cybersecurity to scale accordingly.
2. **Diversification of revenue models:** New revenue streams increase the number of attack surfaces.
3. **Regulation and compliance:** Accelerating regulation presents compliance challenges.
4. **Data is the new currency:** Fragmented platforms and data sources create plentiful attack surfaces.
5. **Basic security measures:** Getting the basics right is imperative, including layers of defense, consistent code practices, and visibility.
6. **Investment in AI security and data center infrastructure:** Consider centralizing the AI security function.



Potential actions

TMT companies can enhance their cybersecurity posture and resilience with these actions:

- **Develop comprehensive strategy:** Build a cybersecurity plan that addresses industry convergence and new revenue models.
- **Enhance regulatory compliance:** Stay updated on regulations and geopolitical risks to strengthen compliance.
- **Implement basic security measures:** Apply layers of defense, consistent coding practices, and maintain visibility.
- **Invest in AI security:** Strengthen AI security and data center infrastructure to counter emerging threats.
- **Centralize AI security function:** Manage data privacy across AI systems through a unified security approach.



Thought leadership

- [Cybersecurity considerations for TMT companies](#)
- [Unleashing the Power of AI: the KPMG Pioneering Approach to AI Security](#)
- [2025 Key considerations in third-party security](#)

What's on the CEO agenda



The [2025 KPMG US CEO Outlook report](#) reveals the pressing challenges and strategic priorities for CEOs, especially within the TMT sector. Supply chain resilience emerges as the primary near-term challenge, with 34 percent of CEOs identifying it as their top priority to maintain operational efficiency amid cautious consumer spending.

AI integration is another critical priority. CEOs are investing heavily in AI to cut costs and improve decision-making. Yet, adoption isn't without hurdles—data readiness and ethical concerns remain significant obstacles. CEOs also express growing urgency in addressing cybersecurity threats, with 82 percent ranking cybercrime as a top risk, particularly as advancements like quantum computing pose new risks to encryption standards.

The workforce is evolving alongside AI. Upskilling employees is essential as AI agents become part of core teams. Notably, 69 percent of CEOs expect an hourglass-shaped organizational structure, reflecting the profound impact of AI. In parallel, leadership roles are evolving, becoming more complex and multidimensional. There is a greater emphasis on adaptability, strategic foresight, and technological literacy.

The report found that 61 percent of CEOs view their responsibilities as significantly evolved, highlighting the necessity of leading transformation efforts in a time of great complexity. Despite these challenges, optimism remains strong. A remarkable 84 percent of CEOs are confident about their company's growth prospects over the next three years.



Potential actions

TMT companies can drive growth by taking these actions:

- **Strengthen supply chain resilience:** Develop strategies to minimize disruptions and maintain operational efficiency.
- **Upskill workforce for AI:** Invest in training programs to prepare employees for collaboration with AI.
- **Enhance cybersecurity:** Upgrade measures to protect against evolving cyber threats.
- **Monitor regulatory changes:** Adjust governance practices in response to new regulations.
- **Review data privacy protocols:** Ensure compliance with changing data privacy requirements.



Thought leadership

- [2025 KPMG US CEO Outlook](#)
- [Directors Quarterly: Q4 2025](#)

Industry outlook reports and other insights



[2025 KPMG US CEO Outlook report](#)



Every year, the KPMG US CEO Outlook report equips business leaders with insights from 400 CEOs at large companies on the key challenges and opportunities around driving business growth.

[Global Mobility Benchmarking Survey insights for TMT](#)



Learn about the evolving landscape of global mobility in the TMT sector, where we focus on service delivery, technology investment, and AI. Explore how these changes impact TMT firms' goals and challenges, and what they're doing to upgrade technology resources and talent management practices.

[The intelligent tech enterprise](#)



Read the KPMG blueprint for an intelligent enterprise to navigate this journey, unlock AI's true value, and transform your business operations.

[The future of content spend and business models in Media](#)



For media companies, the playbook for how compelling content is created, financed, and monetized continues to change quickly, driven by shifting consumer preferences, technology advances, and emerging platforms that are reshaping every stage of the media value chain.

[AI Insights](#)



Get the latest thinking from KPMG on AI and machine learning.

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Explore the insights and strategies of directors focused on today's boardroom challenges and priorities, and the resources of which they avail themselves.

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