Dear Sir / Madam,

We present to you the seventy second edition of our Software Licensing Bulletin, which highlights details on Microsoft® Self-Hosted Application Licensing.

**Microsoft Self-Hosted Application Licensing**

- Licensing options for Self-Hosted ISVs - Independent Software Vendors (ISVs) wanting to host their applications as software service can do so in two ways.
  - Option one is the ‘Self Hosting Applications’ use rights that come along with purchase of Software Assurance under a Volume licensing agreement or
  - Option two is the Service Provider License Agreement (SPLA).

![Detailed information on SPLA can be found on the link below](https://www.microsoft.com/en-us/licensing/licensing-programs/spla-program.aspx)

- Conditions to host selected applications via this right are as below if these qualify as a unified solution:
  1. It should add significant functionalities to the capabilities of Microsoft software platform apart from its original functionalities
  2. The solution should make use of only those Microsoft products which are eligible for self-hosting Eg: (MS SQL Server)
  3. The end customer must only be able to access the solution interface not the underlying Microsoft software stack
  4. It should be hosted remotely via the internet and not through installation at the client endpoint
  5. The intellectual property which is combined with the Microsoft Product should be owned by the ISV.

- All Microsoft products used in the ‘qualified unified solution’ must be licensed through a Volume Licensing program which permits the Self-Hosted Applications use rights (for example, Enterprise Agreement, or Open Value) and offers Software Assurance Benefits.

- For solutions based on Windows Server, they should be licensed through SPLA or Azure.

- Desktop applications (eg: Office, Visio, Project), if used in the unified solution need to be licensed separately using the SPLA.

We hope the bulletin was informative. We would be happy to arrange for any additional information that you may require on the subject. Please write to us at in-fmkpmgccsbulletin@kpmg.com, for any queries or feedback.

 Regards,

KPMG in India

About KPMG in India’s software licensing team: We have an experienced team of over 160 professionals in India with diverse and in-depth knowledge of software licence, software asset management tool, Intellectual Property (IP) and contract review.

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