Dear Sir / Madam,

We present to you the eighty-second edition of our Software Licensing Bulletin, which highlights the concepts of IBM®’s ILMT exceptions.

Customers who have licensed IBM software products on a processor value unit (PVU) basis and are running these products in a virtualised environment are required by the terms of their licences to use IBM’s licence metric tool (ILMT) to monitor capacity usage. However, under certain conditions, customers may be exempted from this requirement.

1. When ILMT does not provide support for the Eligible Virtualisation Environment

2. If your Enterprise has fewer than one thousand employees and contractors, you are not a service provider (an entity that provides information technology services for end user customers, either directly or through a reseller), and you have not contracted with a service provider to manage your environment, and the total physical capacity of your Enterprise servers measured on a full capacity basis, but licensed under sub-capacity licensing terms, is less than one thousand PVUs.

3. If your servers are licensed to full capacity.

For the above exceptions, customers must manually manage, track, and prepare audit reports.

1. An audit report must be prepared at least once per quarter using the Worksheet for Manual Calculation of Virtualisation Capacity.
2. Audit reports must identify Each Eligible Sub-Capacity Product deployed in each Eligible Virtualisation Environment.
3. In addition, the report should provide a summary total of the required number of PVUs by and for each Eligible Sub-Capacity Product.
4. Audit reports must be prepared as frequently as is required to maintain a history of increases to Virtualisation Capacity and Full Capacity.

We hope the bulletin was informative. We would be happy to provide you additional information that you may require on the subject. Please write to us at in-fmkgccsbulletin@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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