Dear Sir/Madam,

We present to you the ninety-eighth edition of our Software Licensing Bulletin, which highlights the concepts of IBM® Passport Advantage Agreement.

What is IBM’s Passport Advantage Agreement?

IBM’s Passport Advantage Agreement (PA) is the agreement that enables all IBM customers to buy and renew technical support, subscribe to IBM SaaS offerings, acquire IBM appliances and regulates audit rights and client responsibilities. Recently, IBM has announced revisions to their Passport Advantage Agreement that will affect the process of audits and sharing IBM License Metric Tool (ILMT) reports will apply to:

- Existing customers beginning on February 1st, 2018 (Once they place a new order or renewal)
- New Passport Advantage customers beginning on November 1st, 2018

What’s New?

ILMT accuracy

With the revisions in effect, IBM wants customers to make sure that ILMT must be working and they must agree to keep accurate records regarding their ILMT reports.

Potential new costs for audits

A new condition has been added in regards to invoices. Clients agree to promptly pay directly to IBM the charges that IBM specifies in an invoice for 1) any such excess use, 2) IBM Software Subscription and Support and Selected Support for such excess use for the lesser of the duration of such excess use or two years, and 3) any additional charges and other liabilities determined as a result of such verification.

Timelines of audit requests and results of ILMT noncompliance

- With the new revisions, clients have 30 days to share their ILMT reports if requested by IBM
- A new condition has been added stating that IBM clients need to agree in writing with the IBM auditor within sixty days of an audit request in case they need an alternate confidentiality agreement
- If clients are unable to deliver, they won’t be eligible for Sub-capacity licensing and will be charged for the full capacity
- IBM has also reworded and added clarification in several paragraphs
- If a client is moving or transferring a license across a border and an authority imposes a tax the client agrees to pay the tax
- An audit can always be executed 'at all sites and for all environments in which client uses their PA software'
- As well as, clients need to provide accurate ILMT reports and agree not to alter or delete them for any purposes
- Support benefits are no longer applicable when support agreements expire

Subscribe to keep updated

Clients are now required to subscribe to IBM support notifications to receive notifications when ILMT updates become available. This ensures that clients are always notified of changes and always using the most updated version of ILMT.

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-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 100+ 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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