Dear Sir/Madam,

We present to you the next edition of our Software Licensing Bulletin, which highlights the concepts of IBM® software licensing terms and licensing options in different environments.

Key notes on IBM® software licensing in different environments

- Lack of knowledge on IBM licensing metrics and terminologies - IBM products are grouped into the following categories: Infrastructure Software, Operating Systems, Development Tools, Databases, Middleware and Networking/Systems Management. The leading brands in these categories are AIX (OS), WebSphere, DB2, Lotus, Tivoli, Rational and Cognos. The various licence models include: Authorized User, User Value Units, Processor Value Units, and Resource Value Units. The wide variety of licence models makes it difficult for IBM customers to get their arms around the licensing.

- Lack of knowledge about product specific licensing terms and restrictions

- IBM’s licensing policy in Virtualisation environment - Sub-capacity (Virtualisation) licensing lets you licence a PVU-based software program for less than the full processor core capacity of the server when the software programme is deployed in an eligible virtualisation environment.

With full capacity licensing, customers are required to obtain PVU licence entitlements for all activated processor cores in the server, regardless of how the software was deployed. IBM Licence Metric Tool (or IBM BigFix Inventory) is required for sub-capacity licensing.

In order to qualify for subcapacity licensing, the International Passport Advantage Agreement (IPAA) states that you must:

1) Install and configure the IBM Licence Metric Tool (ILMT) within 90 days of your first use of an eligible sub-capacity product in an eligible virtualisation environment (or comply with the manual usage tracking requirements if you qualify for such an exception); and

2) produce, on a quarterly basis, the required reports, retain such reports for at least two years, and make them available to IBM upon IBM’s request.

The use of ILMT/IBM BigFix Inventory is mandatory for subcapacity licensing.

However exceptions are mentioned below –

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

2. if your Enterprise has fewer than 1,000 employees and contractors, and 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.

In order to qualify for such an exception:

1) your first use of an eligible sub-capacity product in an eligible virtualisation 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 1,000 PVUs

2) if your servers are licensed to 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-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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