

Passport Advantage September 2014 Revision FAQs

Revision 3: November 2015

Section 1: Passport Advantage Agreement Change Timing

Q: When did the changes to the Passport Advantage Agreement and the Passport Advantage Express Agreement come into effect?

A: Simple answer: September 1st 2014 for new PA Agreements and PA Express transactions, December 1st 2014 for most PA Agreements that existed before September 1st, 2014.

Detail:

(1) For existing Passport Advantage Agreements (Originating Sites) that existed before September 1st, 2014, email, or in some cases hardcopy letters, were sent notifying them of the updates to their PA Agreement on or around September 1st, 2014, the effective date of the change is December 1st, 2014. Existing Additional Sites that existed before September 1st, 2014 under such Agreements were also sent courtesy copies of the notification letters for their information. Notifications for customers in Brazil and Colombia were sent by hardcopy mail with an effective date of February 14th, 2015;

(2) for all new Passport Advantage Additional Sites that are already enrolled as of September 1st, 2014 under a Passport Advantage Agreement that existed before September 1st, 2014, or Passport Advantage Additional Sites which enroll under such an Agreement between September 1st, 2014 and November 30th, 2014, the new Passport Advantage terms apply as of the effective date of the change applicable to the Passport Advantage Agreement of their Originating Site under which that Additional Site is enrolled;

(3) for all completely new Passport Advantage Agreements (Originating Sites) that enroll on or after September 1st, 2014, and for all Additional Sites that subsequently enroll under that new Passport Advantage Agreement, the new terms apply as of the date of enrollment

(4) for Passport Advantage Express transactions the new terms come into effect for all transactions on or after September 1st, 2014.

Q: Are PA enrollment forms changing?

A: Yes, the enrollment forms have changed very slightly to remove a reference to a section in the old agreement which is no longer correct for the new agreement.

Q: Will IBM accept the pre-September 1, 2014 enrollment forms after that date?

A: Because the prior enrollment forms include references to sections of the PA Agreement that are no longer valid, we cannot accept those enrollment forms after that date. There can be no exceptions and if an old enrollment form is received, it will be rejected and the customer will be requested to complete the new enrollment form before their enrollment can be accepted. The new enrollment forms will be made available on the public PA “Agreements and forms” page shortly before they come into effect and can be used for any enrollment that will be submitted to IBM AFTER August 31st, 2014. Please note that IBM’s online enrollment for PA web site, available for all countries, has been updated with the new forms – customers are always be encouraged to use this type of enrollment because it provides the best data integrity due to there being no need to transcribe data from handwriting to stored text.

Section 2: “all or nothing S&S” requirement

Q: Under the new terms, what are a customer’s options in terms of S&S?

A: The customer has two options: (1) to have S&S in effect for all of their installed license inventory of a product they have (whether in current use or not), or (2) To have S&S for none of their installed license inventory of a product they have. There is no third option to have S&S for only some of their installed license inventory of a product they have. Of course, the customer may also obtain S&S for some or even all of their uninstalled licenses which may save them money if they want to bring them back into service later and avoid paying S&S Reinstatement charges.

Q: What does the term “Partial renewal” mean?

A: A partial renewal means a renewal where the quantity of a given line-item is lower than the quantity for the same line item in the prior period – i.e., the customer is renewing less S&S for a product this time than they did last time.

Q: Does the customer lose the right to use the licensed software if they do not renew S&S?

A: No, their licenses are unaffected, but the cost of restarting S&S for some or all of their license inventory for which they have allowed S&S to lapse will be significantly more costly.

Q: What is the scope of the “all or nothing S&S” requirement? Is it on a per product basis for each renewal Site or does it operate across multiple Sites and even across the customer’s entire Enterprise?

A: The scope is at the same level as we perform renewals – at the per product per Site level. If a customer has 100 licenses of Product A installed at Site 123, and another 200 licenses for Product A installed at Site 345, they will get two renewal quotes, one from each Site. The customer can renew all or none of the 100 licenses at Site 123, and can renew all or none of the 200 licenses at Site 345 – there is no requirement for them to have to renew S&S for all 300 or for none of them.

Q: Will current customers be grandfathered so they don’t have to comply with the “all or nothing S&S” requirement?

A: There will be no grandfathering. The requirement to cover all or nothing of installed licenses comes into effect with the customer’s first renewal after the effective date of the agreement change; For most customers, this will be December 1st, 2014.

Q: Will we require customers to state, in writing, how many of their total inventory of licenses for a given product at a Site are installed and how many are not?

A: If a customer has acquired 1000 licenses for a given product and at their last renewal had S&S for all 1000, but they now tell us they only have 500 installed and only want to renew S&S for those 500, we will ask for documentation of their installed software that shows that they will be compliant with all PA terms, including the “all or none” for installed licensed software requirement under that reduced quantity renewal.

Q: (a) If a customer with 1000 total inventory of licenses for a given product has installed the product to that same level (1000) but is using 500 of them to license an old version of the product where that particular version has gone “end of service” (EOS) even though the product continues to be sold and is available in newer versions for which support is still available as part of S&S, do they still need to have S&S for all 1000 or none at all?

(b) If a customer is actively using their entire inventory (e.g., 400) of their licenses for a given product but using 200 of them to license an older version, perhaps because that older version is required for a stable application or is being used for an application that doesn't yet work with a more up-to-date version of the product, do they still need to have S&S for all 400 or none at all?

A: Yes, the requirement covers all installed use regardless of the type of deployment or version of the software in use. The requirement is at the product level, not at the product version level. Our S&S terms have always allowed for the fact that a customer might keep their S&S current while still using their licenses to deploy older versions than those currently available or even older than we are still supporting. They may do this in order to keep their upgrade and support options open for the time when they do want to upgrade. Our terms do not guarantee that product updates will be made available during a coverage term of S&S, and they explicitly state that in order to receive support for a product, the customer must be using a version of that product for which we currently offer support, but S&S is required for all installed licenses or for none.

Q: Must a customer who is using all their licenses of a given product to deploy an old version of software, perhaps even a version of the product which is no longer supported, follow the same "all or nothing" rule?

A: Yes, if the software is installed, regardless of version(s) deployed, the customer can only cover all or none.

Q: What if the customer has 1000 licenses installed, but only wants to pay for 500 because the other 500 are not being used, and is willing to state that they will not be calling in for support for the other 500 or using any updates that we make available to them under active S&S for them?

A: The compliance risk is too great in this case and our terms explicitly prohibit it.

Q: If licenses are installed but customer has no plans to use S&S, and their project for which the licensed software has been deployed will only be for six months, does the customer have to renew and pay for a full year?

A: They have the same "all or nothing" choice to make and if they choose "all", then yes they must acquire S&S for the whole year, business as usual – Passport Advantage terms do not allow for partial year coverage except for prorating coverage to synchronize coverage across products to a single Anniversary (PA statement only – no provision for prorated coverage is included in PA Express).

Q: If a customer covers “none” of their licenses of a given product with S&S and their business grows and they acquire more licenses, do they then have to immediately cover all licenses and therefore pay S&S Reinstatement on all others for which they have allowed S&S to lapse since we do not offer licenses without S&S included?

A: The “all or nothing” rules will be applied at their next renewal. As long as they don’t apply any of the benefits of S&S they get with the new licenses, including updating the software and placing support requests for the benefit of the existing, lapsed S&S, licenses, it is possible they can be compliant with the terms if they tightly manage their environment(s) where the licenses and software are being used, but they will have to make the “all or nothing” decision at their next renewal. If they choose the “all” option, S&S for the licenses for which S&S has been previously allowed to lapse must be obtained using S&S Reinstatement parts.

Q: Will there be an amnesty type program, where customers can cover lapsed licenses at a lower than S&S Reinstatement price for a specified amount of time?

A: There are no plans for such an amnesty program.

Q: How do these terms impact Government and Academic customers?

A: The same as for commercial customers.

Q: Recognizing that IBM is placing a lot of focus on “ON TIME” renewals, has there been a change in the process for allowing customers to renew prorated lines at a later date?

A: There has been no specific change of policy or process. However, we strongly advise that customers renew prorated line-items (in PA) when their normal renewal is due in order to avoid an accidental lapse of coverage which can therefore lead to S&S Reinstatement charges as well as causing them to be noncompliant with the "all or nothing" clause of the contract.

Q: Regarding the requirement that customers must renew all licenses installed or nothing at all, is this specific to the product, brand or all the products under a given Site?

A: The “all or nothing S&S” requirement applies at the product level only. At a particular Site, a customer can choose to have all their installed licenses for one or some products at that Site covered by S&S while having no S&S for other products’ licenses covered.

Section 3: Agreement change & notification

Q: The new contract talks about Transaction Documents. What are these?

A: "Transaction Documents" is a generic term that can mean a number of different things that further specify, affect, and/or qualify the terms of the agreement or a particular transaction. For example, an IBM quote is a transaction document that has some standardization due to it being system-generated before the order to which the transaction document applies is received or accepted by IBM, but a PoE isn't a transaction document because it's an output based on an order accepted under a set of predetermined terms and conditions.

Q: Does the revision of the agreements mean that the Attachment for Appliance Services, the Attachment for Token Licensing, and the Attachment for Monthly Licensing are no longer needed?

A: Yes, these three attachments have been incorporated into the main body of the PA and PA Express Agreements and are no longer required.

Section 4: Passport Advantage Express

Q: Do all the changes to Passport Advantage also apply to Passport Advantage Express?

A: Yes. Passport Advantage Express, updated effective September 1st, 2014, has been updated in exactly the same ways as Passport advantage, while still retaining its unique transactional features.

Q: Were notifications of terms changes made to Passport Advantage Express customers?

A: No, Passport Advantage Express is a transactional agreement, with applicable terms being those in place as of the date of each transaction, unlike Passport Advantage which is a relational agreement whose terms remain in effect unless and until modified by notification per the agreement, or as otherwise agreed in writing between IBM and the customer.

Section 5: Resources

Q: What resources are in place to help IBM sellers, including IBM sellers who work with VADs, respond to customer questions?

A: Additional resources and information will be provided via Passport Advantage Online. Customers should contact their IBM or reseller sales representative for additional help and information.