

IBM i Subscription Transformation FAQ

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Latest revisions:

08/29/2024: updates in green text:

- Question 10.f “Q: Are the non-expiring LPPs Rational Development Studio (RDS, 5770-WDS) and Backup, Recovery and Media Services (BRMS, 5770-BR1), which are covered under IBM i Group SWMA for IBM i non-expiring licenses, covered with the IBM i Subscription Term license? “

7/17/2024: updates in blue text:

- Added definitions to Section 1 “Definitions”
- Added Section 13 “Termination of Subscription Term”
- Added Section 14 “Transfer Subscription Term Across Country Borders”
- Added Appendix “Conversion Pricing”
- Other revisions and clarifications

The purpose of this FAQ is to answer questions about the move of IBM i to subscription term licenses which is a step in the IBM i Business Transformation. It is our intention to continue to update this document and add answers as questions arise. Send additional questions to Linda Hirsch at LLHIRSCH@us.ibm.com.

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1. Definitions

- “**IBM i Subscription Term**” or “**IBM i Subscription**” means the IBM i operating system Subscription Term licenses.
- “**IBM i non-expiring**” means the IBM i operating system non-expiring, also called perpetual licenses or one-time charge licenses.

- “**Conversion pricing**” is reduced pricing which is applied to Subscription term licensing when a non-expiring license is transferred and converted into Subscription term.
- “**Brand SWMA**” is SWMA that is ordered/fulfilled in the Power channel (via econfig).
 - Non-expiring licenses: with almost all Power Software non-expiring license purchases, one year of Brand SWMA is included with the license purchase. In the initial order, this brand SWMA can be extended: Power Software typically offers extension of years 2 through 5.
 - Subscription term licenses: the initial order of Subscription term is via the Power channel (via econfig). Subscription term is always license and SWMA together: the SWMA portion for the initial order in econfig is always fulfilled as Brand SWMA.
- “**TLS SWMA**” is SWMA that is ordered and contracted via Technology Lifecycle Services (TLS) via the Conga system.
 - Non-expiring licenses: SWMA renewals for Power Software non-expiring licenses are done with TLS SWMA if the TLS offering is available for the software.
 - Subscription term licenses: TLS is in process of rolling out Conga offerings for Power SW Subscription term licenses. The IBM i Subscription Conga offering is not available today but is in IBM's roadmap for later in 2024.

2. Introduction and Background

IBM began the IBM i Business Transformation to Subscription in 2022.

- **May 2022**
 - [IBM i offers subscription term pricing for IBM Power S914 four-core processor](#)
- **February 2023**
 - [All IBM i software tiers \(P05/P10/P20/P30\) available as subscription term](#)
 - [Merlin \(IBM i Modernization Engine for Lifecycle Integration\)](#)
- **May 2023**
 - [Rational Development Studio \(RDS\) available as subscription term](#)
 - Rational Developer for i (RDi) available as subscription term
- **August 2023**
 - [Licensed software feature withdrawal of selected non-expiring IBM i license offerings as IBM transforms the IBM i business](#)
- **January 2024**
 - [Backup, Recovery and Media Services \(BRMS\) \(5770-BR2\) available as subscription term](#)
 - [Cloud Storage Solutions for i \(5733-ICC\) available as subscription term](#)
- **February 2024**
 - [Revised withdrawal from marketing date: IBM i software feature withdrawal for IBM i business transformation changed from 3/26/2024 to 5/07/2024](#)
- **March 12, 2024**
 - [Withdraw the ability to transfer non-expiring IBM i entitlements to specific IBM Power10 processor-based server models](#)
 - [Revised IBM i Processor and User Transfer offering: conversion of IBM i non-expiring entitlements to IBM i Subscription Term licenses for specific IBM Power10 processor-based server models](#)
 - [Change IBM i Subscription P05 software tier from blocks of 5 users to blocks of 10 users](#)

- **April 9, 2024**
 - [Announce April 2, 2024 Worldwide: IBM i Subscription conversion pricing](#)

3. Subscription Availability

- a) Q:** For which releases of IBM i are subscription term licenses available?

A: The version and release support depends on the software:

- IBM i Subscription term is available for 7.2 and later.
- Rational Development Studio for i Subscription term (5770-WDS) is available for 7.2 and later.
- Backup, Recovery and Media Services for i Subscription term (5770-BR2) is available for 7.4 and later.

- b) Q:** On which Power servers are IBM i subscription term licenses available?

A The following servers support ordering of IBM i Subscription Term licenses:

Power10 processor-based servers:

- IBM Power S1012 (9028-21B) (P05 and P10 software tiers)
- IBM Power S1014 (9105-41B) (P05 and P10 software tiers)
- IBM Power S1022 (9105-22A) (P10 software tier)
- IBM Power S1022s (9105-22B) (P10 software tier)
- Power S1024 (9105-42A) (P20 and P30 software tiers)
- Power E1080 (9080-HEX) (P30 software tier)

Power9 processor-based servers:

- Power S914 (9009-41G) (P05 and P10 software tiers)
- Power S922 (9009-22G) (P05 (1 core) and P10 software tier)
- Power S924 (9009-42G) (P20 software tier)
- Power E980 (9080-M9S)

4. Conversions and Transfers of IBM i Non-expiring Licenses

- a) Q:** Is conversion pricing available?

A IBM announced conversion pricing on [April 2, 2024: IBM i Subscription conversion pricing](#). As of May 7, 2024, conversion pricing is available in econfig when IBM i non-expiring licenses are transferred and converted to IBM i Subscription for the eligible P05 and P10 tier hardware.

Refer to the “[Appendix: Conversion pricing](#)” for details on conversion pricing for the P05 and P10 tiers. Contact your IBM sales representative or IBM Business Partner regarding conversion pricing.

- b) Q:** Starting May 7, a client will buy (or lease) a new Power10 P05 or P10 software tier machine. Can the customer transfer IBM i non-expiring entitlements to the new machine?

A: Starting May 7, if a client is purchasing or leasing a new machine of one of the following types:

- IBM Power S1014 (9105-41B) 4-core processor (P05 software tier)
- IBM Power S1014 (9105-41B) 8-core processor (P10 software tier)

- IBM Power S1022 (9105-22A) (P10 software tier)
- IBM Power S1022s (9105-22B) (P10 software tier)
- IBM Power S1012 (9028-21B) 1-core or 4-core processors (P05 software tier)
- IBM Power S1012 (9028-21B) 8-core processors (P10 software tier)

The choices for IBM i entitlement are...

1) buy new IBM i Subscription Term, or
 2) convert IBM i non-expiring license to IBM i Subscription Term at a lower-priced Subscription Term option. Note for order placers: specifically, this is the NEWSYS path in e-config.

- Active SWMA is required on the donor IBM i non-expiring licenses in order to take advantage of the conversion pricing.
- Conversion pricing is offered when acquiring 3-, 4-, or 5-year Subscription Terms.
- On the conversion, select any quantity of users, blocks of 10 or Unlimited User entitlement or Remote Access entitlement.

3) the other IBM i offerings which are not IBM i non-expiring or IBM i Subscription entitlements: e.g.

- IBM i Temporary Licensing (5733-ITL)
- IBM i Service Provider Monthly Offering
- Power Enterprise Pools (PEP) 2.0 Capacity Credits

Therefore, for new Power10 P05 or P10 purchases for the machine types listed above, in the NEWSYS path starting May 7, IBM i non-expiring licenses cannot be transferred to the new machine. Instead, the IBM i non-expiring licenses will be converted to IBM i Subscription. Note that non-expiring LPPs for i can be transferred to these new machines. Refer to the question "When I order IBM i Subscription Term licenses, are Subscription LPPs also required, or can I add non-expiring LPPs?"

c) **Q:** What happens to the IBM i entitlements when the conversion order is placed (i.e. once the order goes into “shipped” status)?

A: The following steps occur:

- The IBM i non-expiring entitlement on the donor is deleted.
- The IBM i entitlement is parked on the target.
- The customer must complete the steps to enter the reduced quantity keys on the donor system and send the validation to the Key Center (WWSWKEYS@dk.ibm.com).
- Once the validation is received by the Key Center, the Key Center will unpark the IBM i Subscription Term entitlement on the target.

d) **Q:** What if I have an existing Power9 or Power10 machine at P05 or P10 software tier which does not have IBM i on it. Can I transfer IBM i non-expiring licenses from a donor machine and use this existing Power9 or Power10 P05 or P10 software tier machine as a target?

A: With the exception of the Power S1012 (9028-21B) as a target, which does not support transfers of IBM i non-expiring license to it, the answer is yes. I.e., starting May 7, the behavior is the same as before May 7. Specifically, in e-config, this is the “Software Only Server” path, when you select “Transfer software from installed system to an existing system.” If a Power9 or Power10 machine (other than 9028-21B) does not have the IBM i operating system on it, subject to that the machine is showing as shipped or installed in IBM’s records (i.e., the machine Serial Number exists in ESS on the Hardware tab under My

Inventory -> Inventory Explorer), placing an order to transfer non-expiring IBM i entitlement to this existing machine using the “Software only Server” path and “Transfer software from installed system to an existing system” will transfer IBM i non-expiring licenses. Any change in this will be announced in an IBM announcement letter.

- e) **Q:** Starting May 7, I have an existing Power9 or Power10 machine at P05 or P10 tier with IBM i non-expiring entitlement on it, can I purchase additional IBM i non-expiring processor or user quantities on the existing machine?
- A:** Yes, i.e., starting May 7, the behavior is the same as before May 7. E.g., add one or more additional IBM i processor entitlements and/or user entitlements. [Note that if the IBM i non-expiring license choice is not present in econfig, in Global Settings 'Main Selection' view, check the 'Include Withdrawn Products' selection.](#)

- f) **Q:** Starting May 7, I have an existing Power9 or Power10 machine at P05 or P10 tier, can I renew my IBM i group SWMA associated with IBM i non-expiring licenses?

A: Yes, i.e. starting May 7, the behavior is the same as before May 7. IBM is not withdrawing the ability to renew group SWMA for IBM i non-expiring licenses.

- g) **Q:** Starting May 7, I have an existing Power9 or Power10 machine at P05 or P10 tier, am I required to convert my existing IBM i non-expiring licenses on this existing machine to Subscription Term licenses on or shortly after May 7?

A: No. Existing IBM i non-expiring licenses on existing machines can remain, and as mentioned, SWMA can be renewed.

- h) **Q:** Starting May 7, I have an existing machine that has IBM i non-expiring licenses on it, and the machine does NOT support IBM i Subscription on it. Is conversion required on these machines that do not support IBM i Subscription? What happens?

A: IBM i Subscription Term licenses are only supported on the specific Power9 and Power10 machines [which are identified in Section 3, question b “On which Power servers are IBM i subscription term licenses available?”](#) Therefore, on any other machines which do not support IBM i Subscription, customers can ...

- transfer IBM i non-expiring licenses to the existing machine.
- purchase additional IBM i non-expiring processor or user quantities on the existing machine. [Note that if the IBM i non-expiring license choice is not present in econfig, in Global Settings 'Main Selection' view, check the 'Include Withdrawn Products' selection.](#)
- renew IBM i group SWMA associated with IBM i non-expiring licenses. If the IBM i SWMA has expired, the after-license fee will apply upon renewal.

- i) **Q:** Is there conversion pricing for 24x7 uplift in support (24x7 support is a U.S. feature)?

A: No: i.e., there is only standard pricing for the Subscription 24x7 features. Therefore, on any orders which add 24x7 support, the 24x7 feature is added at a standard Subscription price.

E.g., using U.S. feature codes:

- Donor system has the following on a S914 8-core (P10 tier) to transfer and convert:
 - IBM i non-expiring processor entitlement, quantity = 1

- IBM i users, quantity = 10
- Target system is a new S1014 8-core machine (P10 tier). The client wants:
 - 3-year Subscription term:
 - IBM i processor entitlement, quantity =1
 - IBM i users, quantity = 10
 - 24x7 support

Result:

- IBM i processor conversion to subscription 3Y, quantity =1 (5663-SP1 feature 0001)
- IBM i users conversion to subscription 3Y, quantity = 1 block of 10 (5663-SU1 feature 0003)
- P10 Subscription 24x7 support 3Y, quantity = 1 (5663-SP1 feature 0432). There is just one 24x7 standard price, no conversion price

5. Payment

- a) **Q:** When a customer buys a Subscription Term, is the payment amortized over the duration of the terms? E.g., can the customer pay on a monthly basis?
A: No. When ordering Subscription Term in e-config, the payment options are not changed: payment is made up front.

6. Virtual Serial Numbers, Combining IBM i Subscription and IBM i non-expiring, and Power Enterprise Pools 2.0

- a) **Q:** Can I order IBM i Subscription and Subscription LPPs on a Virtual Serial Number (VSN)?
A: No: ordering IBM i Subscription is not supported on VSNs. This capability is on our roadmap.
- b) **Q:** Once VSN supports IBM i Subscription, can I combine IBM i Subscription and IBM i non-expiring on one Serial Number?
A: No. You cannot combine the two license types on one Serial Number. I.e., on a given physical Serial Number or Virtual Serial Number (VSN), you could have either IBM i Subscription or IBM i non-expiring, but not both. You could have a physical Serial Number with IBM i non-expiring entitlements, and a VSN assigned to a partition on that machine which has IBM i Subscription Term entitlements since the physical and Virtual Serial Numbers are completely independent.
- c) **Q:** Can I combine IBM i Subscription Term and IBM i non-expiring in one Power Enterprise Pool (PEP) 2.0?
A: Yes, as long as you do not combine IBM i Subscription Term entitlement and IBM i non-expiring on one machine Serial Number, you can have machines with both types in one pool. E.g., in one PEP 2.0, one machine has 10 IBM i Subscription Term entitlements ending in two years, a second machine has 2 IBM i non-expiring entitlements, a third machine has 2 IBM i non-expiring entitlements. There are 14 IBM i entitlements of Base Capacity. If the IBM i Subscription Term is not renewed in two years, upon expiration of the two-year term, this PEP 2.0 will have 4 IBM i entitlements of Base Capacity.

7. Transfer of IBM i Subscription Term licenses

a) Q: Once I have IBM i Subscription on a machine, can I transfer it to another machine?

A: IBM intends to support IBM i Subscription transfers from machine to machine.

Example:

- Client has a Power9 with 2 years of IBM i Subscription Term remaining.
- Client purchases a replacement Power10 and transfers the remaining IBM i Subscription Term to the new Power10.

8. Capacity Backup (CBU)

a) Q: In a production-CBU pairing, can the production machine have IBM i non-expiring licenses, and the CBU have IBM i Subscription licenses, or vice versa?

A: For both production and CBU, the IBM i requirement can be fulfilled with either IBM i non-expiring or IBM i Subscription. E.g. IBM i non-expiring licenses may be on the production and IBM i Subscription on the CBU, or the opposite situation with IBM i Subscription on the production and IBM i non-expiring on the CBU.

On a given machine, the license must be all non-expiring or all Subscription: you cannot combine non-expiring and Subscription on one Serial Number.

If a CBU has Subscription licenses, any eligible temporary keys for LPPs will be generated to align with the Subscription Term of IBM i.

9. Software License Keys

a) Q: For IBM i Subscription Term licenses, will expiring keys be issued?

A: Yes. The key duration will match the term of the license purchased, plus IBM will add a 60-day buffer. Adding the buffer will allow time for orders to fulfill and so forth. Specifically, the entitlement and key are created based on the ship date of the order, then 60 days is added.

- Example: one-year term for 5770-SS1 processor quantity = 1, users = 10, ship date = May 1, 2024
 - Subscription Term end = May 1, 2025
 - Key expiration = one year (May 1, 2025) + 60 days, therefore approx. June 30, 2025

Note: while the key expiration has a 60-day buffer added, the Subscription Term still ends on the original date, which is based on the ship date. In the example above, the Subscription Term ends on May 1, 2025.

Any change to this 60-day policy in the future will be announced in an IBM announcement letter.

b) Q: When will my IBM i Subscription Term keys be available in ESS?

A: The keys will be available once the IBM i Subscription entitlement is in ESS.

c) Q: What happens when the license keys for my IBM i operating system subscription term expire?

A: There is no change to IBM i implementation for expiring or expired keys:
For the IBM i 5770-SS1 features 5050 (base feature), 5051 (processor entitlement), 5052 (user entitlement), 5053 (application server entitlement) warning messages will be issued 14 days prior to the expiration date.

- When the IBM i base feature 5770-SS1 5050 key is expired, the next time the system is rebooted (IPL'd) after expiration, the IPL will stop until a valid key is installed. If a client needs a 5770-SS1 5050 interim key while the renewal order is being placed, use the "Interim Key" function on the [Entitled Systems Support \(ESS\)](#) portal ("My Entitled Software" and "IBM i Software Keys").
- Once the IBM i processor feature (5770-SS1 5051) is expired, out-of-compliance messages are issued every hour.

d) Q: For what duration are warning messages issued prior to expiration of software keys?

A: There is no change to the implementation for warning messages for expiring keys for the IBM i operating system. Warning messages for expiring keys start 14 days prior to the expiration date.

10. Licensed Program Products (LPPs)

a) Q: With IBM i Subscription Term licenses, which Licensed Program Products (LPPs) are not included when IBM i Subscription Term is ordered?

A: The following LPPs are ordered separately and are not included when IBM i Subscription Term licenses are ordered:

- Backup, Recovery, and Media Services (BRMS) (non-expiring 5770-BR1, or Subscription 5770-BR2)
- Rational Development Studio for i (5770-WDS)
- PowerHA SystemMirror for i (5770-HAS)
- Cloud Storage Solutions for i (5733-ICC)
- Db2 Mirror for i (5770-DBM)
- Rational Developer for i (ordered via Power channel (5733-RDW) or Passport Advantage)
- ARCAD Observer for IBM i (5733-AO1)
- ARCAD RPG Converter for IBM i (5733-AC1)
- IBM i Modernization Engine for Lifecycle Integration ("Merlin", ordered via Passport Advantage)

Ordered and priced at zero:

- Web Enablement: includes selected versions of WebSphere Application Server (5733-WE3, 5722-WE2)
- Cryptographic Device Manager (5733-CY3)
- OmniFind Text Search Server for DB2 for i (5733-OMF)

b) Q: With IBM i Subscription Term licenses, which Licensed Program Products (LPPs) and IBM i features are included with orders of IBM i Subscription Term?

A: The following LPPs and IBM i features are included with IBM i Subscription Term licenses:

NOTE: Refer to [IBM i Portfolio Simplification](#) for information regarding the required PTFs to remove license checking, and thereby remove the need for software license keys, for the IBM i features and LPPs which formerly required keys.

The following IBM i (5770-SS1) features are included when ordering licenses for IBM i non-expiring or IBM i Subscription Term:

- All except features are included except 5770-SS1 Db2 Data Mirroring, Option 48 (provided with Db2 Mirror, 5770-DBM)

The following LPPs are included with IBM i Subscription Term:

- Rational Application Management Toolset (5770-AMT)
- Administration Runtime Expert (also called Application Runtime Expert) (5733-ARE)
- AFP Font Collection (5733-B45)
- Advanced DBCS Printer Support (5761-AP1)
- Communications Utilities (5761-CM1)
- CICS® Transaction Server (5770-DFH)
- HTTP Server (5770-DG1)
- Facsimile Support for i (5798-FAX)
- AFP DBCS Fonts (5769-FN1)
- AFP Fonts (5769-FNT)
- InfoPrint Server (5722-IP1)
- Advanced Job Scheduler (5770-JS1)
- Developer Kit for Java (5770-JV1)
- Managed System Services (5770-MG1)
- Network Authentication Enablement (5770-NAE)
- Performance Tools (5770-PT1)
- Query for i (5770-QU1)
- System Manager (5770-SM1)
- Db2 Query Manager & SQL Dev Kit (5770-ST1)
- TCP/IP Connectivity Utilities (5770-TC1)
- Transform Services (5770-TS1)
- Universal Manageability Enablement (5770-UME)
- XML Toolkit (5733-XT2)
- IBM i Access Family (5770-XW1)

c) Q: When I order IBM i Subscription Term licenses, are Subscription LPPs also required, or can I add non-expiring LPPs?

A: IBM will allow IBM i Subscription Term licenses and either non-expiring or Subscription LPPs on one system.

If a client desires to transfer existing LPPs (non-expiring) to a machine with IBM i Subscription, LPPs can be transferred using the [Entitled Systems Support \(ESS\)](#) portal. This transfer via ESS is available today. Refer to [Software Eligible to Transfer in ESS](#).

d) Q: Can I add the IBM i Service Provider Monthly PIDs for the machines like S1022 which require IBM i Subscription?

A: Yes, the IBM i Service Provider Monthly PIDs are available. For ordering information, refer to [IBM i Service Provider Monthly Offering Overview](#) > in this document, refer to charts 17 and 18.

e) Q: When I have IBM i non-expiring licenses, can I order Subscription LPPs?

A: Yes. When IBM i non-expiring licenses are selected or present on the config, either non-expiring LPPs or Subscription Term LPPs can be selected.

f) Q: Are the non-expiring LPPs Rational Development Studio (RDS, 5770-WDS) and Backup, Recovery and Media Services (BRMS, 5770-BR1), which are covered under IBM i Group SWMA for IBM i non-expiring licenses, covered with the IBM i Subscription Term license?

A: Regarding specific SWMA benefits:

- As for calls to IBM Support and for acquiring fixes: yes, the perpetual LPPs 5770-WDS and 5770-BR1 will be covered under IBM i Subscription for the time being. Any change to this policy will be announced in an IBM Announcement Letter.
- As for upgrades to a new release: If the IBM i is Subscription term and the RDS and BRMS are non-expiring, clients can request software keys for additional releases by sending an email to the Key Center, as follows:

To: WWSWKEYS@dk.ibm.com

Subject: "Request for keys for additional releases for <fill in 5770-WDS and/or 5770-BR1> for xxxx yy-yyyyy" where xxxx is the machine type, yy-yyyyy is the system serial number.

Email content: The email should include which version/releases are needed.

g) Q: Is conversion pricing available for converting non-expiring LPPs to Subscription LPPs.

A: No. There is no conversion pricing available for converting non-expiring LPPs to Subscription LPPs.

11. Renewing and Adding to IBM i Subscription Term

a) Q: A client's Subscription Term is ending. What are the options to renew the term?

A: IBM Technology Lifecycle Services (TLS) is in process of creating extensions for the IBM i portfolio and AIX portfolio Subscription Term offerings. Once the TLS offerings are available, then quote renewal using the TLS offerings in Conga.

b) Q: Subscription Term is available for up to 5 years. What if a client needs the Subscription Term for 5 years plus 3 months (as an example)?

A: The maximum Subscription Term than can be ordered via e-config is 5 years.

IBM Technology Lifecycle Services (TLS) is in process of creating extensions for the IBM i and AIX Subscription Term offerings. Once the TLS offerings are available, then quote additional duration beyond 5 years using the TLS offerings in Conga.

c) Q: If a client ordered a 5-year term initially, are they required to renew a 5-year term?

A: No. The client is not required to renew their original term duration.

d) Q: Once I have IBM i Subscription on a machine, can I add additional IBM i Subscription entitlement to it?

A: Yes. An example scenario:

- Order IBM i Subscription Term for 1 processor license for 2 years, expiring March 14, 2026.
Result: 5770-SS1 quantity = 1, expiration 03/14/2026
- On January 1, 2025, order 1 more processor license on this machine for a 1-year term.
Result: 5770-SS1 quantity =2, expiration 12/31/2025
- Upon the 12/31/2025 expiration, a new key is generated:
Result: 5770-SS1 quantity =1, expiration 03/14/2026

12. IBM i Temporary Licensing and Migrations

a) Q: Can a client use IBM i Temporary Licensing (5733-ITL) in conjunction with IBM i Subscription?

A: Yes. Example use case:

- The client has Subscription Term for 1 core, and temporarily need another core for 3 months.
 - Start with IBM i Sub 1 core, term ends 12/31/2025:
 - 5770-SS1 5051 qty = 1, expiration 12/31/2025
 - Buy ITL for 1 core for 3 months. Client starts their ITL and the key expiration is 7/31/2024:
 - 5770-SS1 5051 qty = 2, expiration 7/31/2024
 - Upon the 7/31/2024 expiration, my key gets re-generated reflecting my current entitlement and term:
 - 5770-SS1 5051 qty = 1, expiration 12/31/2025

b) Q: A client is buying a new IBM Power S1014 (9105-41B) 8-core processor (P10 software tier) and will use the conversion offering to convert non-expiring IBM i to IBM i Subscription Term. If the client's migration will take longer than the standard allowed migration period of 30 days for P10 software tier, will the client need to acquire IBM i Temporary Licensing (5733-ITL)?

A: Scenarios:

- If the client converts their IBM i non-expiring to IBM i Subscription, then a client is using the conversion offering, and their migration period will exceed the standard 30-day migration period where concurrent license is allowed, then the client can acquire IBM i Temporary Licensing for the remaining migration period.
- If the scenario is that, rather than conversion non-expiring to Subscription, the client is buying net new IBM i Subscription entitlements on the target machine, then the

client is licensed on both the donor and target machines and does not need IBM i Temporary Licensing for migration.

For Power Software's side-by-side migration policy, refer to [IBM Power Software Policies](#).

13. Termination of Subscription Term

- a) Q: What happens when a Subscription term is terminated? Does the client get a refund?
- A: Refer to Section 1 "Definitions" for the definitions of "Brand SWMA" and "TLS SWMA".
- **Brand SWMA:** Subscription term is always license and SWMA together: the SWMA portion for the initial order in econfig is always fulfilled as brand SWMA. If brand SWMA is terminated, no refund is issued.
 - **TLS SWMA:** TLS is in process of rolling out Conga offerings for Power Software Subscription term licenses. The IBM i Subscription Conga offering is not available today but is in IBM's roadmap for later in 2024.

TLS SWMA can be terminated, and a refund issued if eligible per the TLS contract terms. E.g.:

- In the case of Software transfer, the TLS contract is stopped on the donor, credit is issued if eligible, and a new TLS contract is started on the target.
- In the case where a machine goes to out of productive use, and the software is no longer being used and SWMA or Subscription is no longer needed, the TLS contract could be stopped, and credit issued, if eligible per the TLS contract terms.

14. Transfer Subscription Term Across Country Borders?

- a) Q: Can a Power machine with IBM i Subscription be transferred from one country to another?
- A: Refer to Section 1 "Definitions" for the definitions of "Brand SWMA" and "TLS SWMA".
- **Brand SWMA** cannot be transferred across country boundaries. Therefore, a client who plans to utilize IBM i Subscription and who desires to buy a machine in one country and transfer it to another country should buy the HW in the origin country, then purchase IBM i Subscription in the target country.
 - **TLS SWMA:** TLS is in process of rolling out Conga offerings for Power Software Subscription term licenses. The IBM i Subscription Conga offering is not available today but is in IBM's roadmap for later in 2024. TLS contracts cannot be transferred across country boundaries. However, TLS SWMA can be terminated in the original country, a refund issued if eligible per the TLS contract terms. Then a new TLS contract is started in the target country.

15. P20/P30 Plans

- a) Q: Are P20 and P30 software tiers affected by this transformation?
- A: At this time, IBM i P20 and P30 are not affected by the IBM i Business Transformation announcements. Therefore, P20 and P30 clients have the current options available when considering system replacements: i.e., acquiring new IBM i Subscription Term licenses, acquiring new IBM i non-expiring licenses, or transferring IBM i non-expiring to the new machine. Any change to this policy will be announced in an IBM announcement letter.

Appendix: Conversion Pricing

Conversion pricing is applied in the NEWSYS path (sometimes called “System Transfer” path) in econfig. This section contains specific information about which IBM i features offer conversion pricing features for P05 and P10 software tier machines which support IBM i Subscription.

All scenarios described below are assuming that SWMA is active on the donor machine.

P05 tier target machines that support IBM i Subscription

In USD List Prices:

P05	Subscription per year ¹	Conversion per year ¹ Applies for 3/4/5 year terms
IBM i OS license per core	\$2,356	No change in price
Block of 10 users	\$ 800	No change in price
Unlimited Users	\$4,000	\$1,600

1. These per-year list prices do not reflect the 15% uplift which is added if only one year is purchased.

IBM i processor entitlement for P05 tier target machine:

There is no conversion pricing for processor entitlement so processors are always added on the target at standard pricing.

- Net new: If net new processors entitlements are selected, the quantity is added on the target at standard pricing.
- Transfer: If “IBM i processor transfer” is selected, the quantity is added at standard pricing on the target, and the 5733-NKY is created to remove the processor entitlement from the donor (and the entitlement is parked on the target).

IBM i user entitlement for P05 tier target machine:

Summary: Limited to those countries where the Unlimited Users and External Access options are available on P05 tier machines, the only IBM i user conversion pricing for P05 targets is for Unlimited Users (and External Access entitlement). Be sure to run the price differences of blocks of users vs the Unlimited User price. Clients may choose Unlimited User entitlement because of pricing (in geos where Unlimited User entitlement is available). Ensure clients are aware that the conversion pricing applies for the first Subscription Term period that they acquire. E.g., when a customer acquires and pays for a 3-year term at conversion pricing, when they renew for year 4 (and beyond), they will pay standard IBM i Subscription pricing.

- For blocks of IBM i users:

- Net new: if net new blocks of users are selected, the quantity is added at standard pricing.
- Transfer: if “IBM i user transfer” is selected, the quantity of users is added at standard pricing, and the 5733-NKY is created to remove the user entitlement from the donor (and the entitlement is parked on the target).
- For Unlimited User entitlement (in geos where the option is available):
 - Net new: Unlimited User entitlement is added at conversion price.
 - Transfer is presented if the Unlimited User entitlement is on the donor: Unlimited User entitlement is added at conversion price, and the 5733-NKY is created to remove the Unlimited User entitlement from the donor (and the entitlement is parked on the target).
- For External Access entitlement (in geos where the option is available):
 - Net new: External Access entitlement is added at conversion price.
 - Transfer is presented if the External Access entitlement is on the donor: External Access entitlement is added at conversion price, and the 5733-NKY is created to remove the External Access entitlement from the donor (and the entitlement is parked on the target).

P10 tier target machines that support IBM i Subscription

In USD List Prices:

P10	Subscription per year ¹	Conversion per year ¹ Applies for 3/4/5 year terms
IBM i OS license per core	\$8,925	\$7,140
Block of 10 users	\$800	\$100
Unlimited Users	\$16,000	\$2,000

1. These per-year list prices do not reflect the 15% uplift which is added if only one year is purchased.

IBM i processor entitlement for P10 tier target machine:

Summary: net new processors are added at standard price, transferred processors are added at conversion price.

- Net new: If net new processors entitlements are selected, the quantity is added on the target at standard pricing.
- Transfer: If “IBM i processor transfer” is selected, the quantity is added at conversion pricing on the target, and the 5733-NKY is created to remove the processor entitlement from the donor (and the entitlement is parked on the target).
- If there are some processors entitlements added net new and some transferred, the conversion pricing is applied only to the transferred processor entitlements. The net new processors entitlements are added at standard pricing. The 5733-NKY is created to

remove only the transferred processor entitlements from the donor (and the entitlements are parked on the target).

IBM i user entitlement for P10 tier target machine:

Summary: IBM i blocks of users or Unlimited User entitlement is always added at conversion price.

- For blocks of IBM i users:
 - Net new: If net new blocks of users are selected, the quantity is added at conversion pricing.
 - Transfer: If “IBM i user transfer” is selected, the quantity of users is added at conversion pricing, and the 5733-NKY is created to remove the user entitlement from the donor (and the entitlement is parked on the target).
 - If there are some user blocks added net new and some transferred, the conversion pricing is applied to all IBM i user entitlements. The 5733-NKY is created to remove only the transferred user entitlements from the donor (and the entitlements are parked on the target).
- For Unlimited User entitlement:
 - Net new: Unlimited User entitlement is added at conversion price.
 - Transfer is presented if the Unlimited User entitlement is on the donor: Unlimited User entitlement is added at conversion price, and the 5733-NKY is created to remove the Unlimited User entitlement from the donor (and the entitlement is parked on the target).
- For External Access entitlement:
 - Net new: External Access entitlement is added at conversion price.
 - Transfer is presented if the External Access entitlement is on the donor: External Access entitlement is added at conversion price, and the 5733-NKY is created to remove the External Access entitlement from the donor (and the entitlement is parked on the target).