ORACLE

# Oracle Software Licensing Basics

Updated July 2024

# Safe harbor Notice

The following is intended to outline our general product direction and provides guidelines regarding Oracle's polices in effect as of December 1, 2021. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions.

The development, release, timing, and pricing of any features or functionality described for Oracle's products may change and remains at the sole discretion of Oracle Corporation.

This document may not be reproduced in any manner without the express written consent of Oracle Corporation.

# Agenda

**1.**

**Oracle Software Licensing Basics**

- General Licensing
- Oracle Technology Software Licensing
- Oracle Applications Software Licensing

**2.**

**Oracle Software Licensing Basics Examples**

**3.**

**Resources**

# 1.

# Oracle Software Licensing Basics

---

## General Licensing

Oracle Technology Software Licensing

Oracle Applications Software Licensing

# General Licensing Information
## Concepts

**Oracle's Software License gives you a non-exclusive and limited right to use the software and as such:**

**License Types** outline the restrictions on customer's usage

### Full Use license

Full Use license is without restrictions and allows usage that is full functionality

### Application Specific Full Use

Application Specific Full Use is specific to run only with the defined application and may come with additional restrictions

### Embedded License

Embedded License is limited to embed Oracle technology with defined application and has further restrictions on install, package, configure and access

**License Metrics** determine how software usage is measured

- e.g. Per Named User Plus, Application User, or Processor metric

# General Licensing Information
## Concepts continued

**Oracle's Software License gives you a non-exclusive and limited right to use the software and as such:**

**License Terms** provides the timeline for customer's usage

- **Perpetual License** is the right to use the license perpetually

- As of September 1, 2020, Oracle has ended the availability of **term licenses** for all on-premise software with the exception of specific Oracle Technology products for 1 year Term only available; contact your Oracle sales representative for more information.  Existing customers paying support on their term licenses will remain supported through the end of their term.

  - List price for a term license is based on a specific percentage of the perpetual license price with 1 year at 20% of list price: Exadata Storage Server Software, Oracle Active Data Guard, Oracle Advanced Compression, Oracle Advanced Security, oracle Database Enterprise Edition, Oracle Database In-Memory, Oracle Database Standard Edition 2, Oracle Database Vault, Oracle Diagnostic Pack, Oracle Forms and Reports, Oracle GoldenGate, Oracle Internet Application Server Enterprise Edition, Oracle Multitenant, Oracle OLAP, Oracle Partitioning, Oracle Real Application Clusters, Oracle Real Application Clusters One Node, Oracle Real Application Testing, Oracle SOA Suite for Oracle Middleware, Oracle Tuning Pack, Oracle Weblogic Server Enterprise edition, Oracle Weblogic Standard Edition, Oracle Weblogic Suite.

  - Note that, the list support price for term licenses is 22% of the list perpetual license fee, as listed in the price list.

See further information on Oracle Global Pricing Site at Oracle.com

# General Licensing Information
## Environments

**Use of Oracle Software requires Customers to license the respective Oracle programs in:**

### Production Environments

### Non Production Environments

- Development
- Quality Assurance/Testing & Staging
- Disaster Recovery

- Customer can obtain development licenses that are limited to development activities per the Oracle Developer Downloads guidelines

- See the Oracle Technology Network OTN License Agreement for further details

# 1.

## Oracle Software Licensing Basics

General Licensing

### Oracle Technology Software Licensing

- Licensing Metrics

- Data Recovery Environments

- Server Partitioning Environments

- Shared Storage Environments

- Authorized Cloud Environments

Oracle Applications Software Licensing

# Oracle Technology Software Programs
Licensing Information

## Oracle Technology Licensing:

**Featured Technology Programs** include the following:

- **Oracle Database**
- **Oracle Software Management Packs**
- **Oracle Middleware**
- **Oracle Developer Tools**

**Licensing Metrics** include Named User Plus or Processor metric

- **Named User Plus**
- **Processor**

For further information, see the Price List and the Database Licensing Documents

# Oracle Technology Software Programs
## General Licensing Information

### Oracle Technology Licensing:

- Add-on products such as the Enterprise Options and Management Packs must match the number of licenses of the associated product

- Functional dependencies may exists among products. Such dependencies must be licensed separately as prerequisite products

- **Minimums** are used in conjunction with license metrics and refer to the minimum number of licenses a customer is required when licensing Oracle software

  – License actual usage or minimum, whichever is greater

See the Product documentation at Oracle Help Center or ask your Oracle sales team for further information

# Oracle Technology Programs
## Licensing Metrics

**Named User Plus (NUP)** metric is defined as individuals authorized to use Oracle programs installed on single or multiple servers regardless if individual is actively using the programs at any given time.

### Licensing considerations include :

- Human and non-human operated devices are counted towards NUP license
- Batch processing from computer to computer is permitted and does not require counting users at the front of the batch process
- If multiplexing hardware or software is used, multiplexing is counted at the front end
  - For further information on batching and multiplexing refer to on the next slide

### Named User Plus Metric Considerations

- User minimum for products may apply
- Licensed at the greater of either user minimum (if applicable) or actual users

See full metric definition in the Oracle Technology Price List

# Oracle Technology Programs
## Licensing Metrics

**Named User Plus (NUP)** definition includes Batching and Multiplexing :

### Batching

Batching is an activity that allows a group of tasks occurring at different times to be processed at the same time with little interaction from the user and includes:

- Automated batching is copying data from computer to computer where the database is running, this is permitted and does not require licensing users in front of batch processing
- In manual batching or import/export of flat files, the individual users who are performing the transaction needs to be licensed

### Multiplexing

Multiplexing is when a large number of end users and/or devices access a system via an interface, such as TP monitor or a web server product, so that the apparent number of users and/or devices accessing the system is much smaller than the actual number of users and/or devices

- If multiplexing hardware or software used, license at the multiplexing front end

# Oracle Technology Programs
## Licensing Metrics

The **Processor metric** is used to license all processors where Oracle programs are installed and/or running. This metric is commonly used for uncountable or hard to manage user/count populations

### Processor Metric Calculations

- User Minimums per processors may apply

- Most Standard Edition products are licensed by Processor, which for Standard Edition programs is defined as a socket
    - For multi-chip module processors, each chip on the processor counts as one occupied socket

- Enterprise Edition and other technology products may be licensed by cores
    - (# of cores x core factor = # of Processor licenses)
    - please see Oracle Processor Core Factor Table

*Note: Most processor manufacturers offer Multi-chip Module (MCM) processors. For SE2 licensing purposes each chip on an MCM counts as an occupied socket. It is the customer's responsibility to check with the processor vendor to determine the number of chips on each MCM processor*

See full metric definition in the Oracle Technology Price List

# Oracle Technology Software Licensing
## Data Recovery Environments

**Licensing Oracle programs that are installed and/or running in Data Recovery:**

### Licensing Requirement:

All Copying, synchronization, and mirroring of the data and/or program files requires licensing

- Data and optional Oracle binaries are copied to another storage device therefore all programs installed and/or running must be licensed

### Testing:

A testing allowance (up to four times, not to exceed two days per testing in any given calendar year) is granted for physical copies of backups as follows:

- For any Oracle programs listed on the Oracle Technology Global Price List, test on an unlicensed server (including a server in a cloud environment),
- Does not allow for any other data recovery methods, such as remote mirroring or synchronization
- Not applicable in a virtualized environment

For further information, see the Licensing Data Recovery Environments Document and Oracle Technology Global Price List

# Oracle Technology Software Licensing
## Data Recovery Environments

**Licensing Failover Data Recovery:**

Failover Data Recovery is an exception which allows for one unlicensed server/node in a clustered environment sharing single storage and requires the following:

- Allows an exception to run the Oracle programs on one unlicensed node up to ten separate 24-hour periods in any given calendar year

- If failover periods exceed ten separate 24- hour periods the failover node must be licensed

- When the primary node fails, the failover node acts as the primary node.  Once the primary node is repaired the customer must switch back to the primary node or designate that repaired node as the failover node

- Same license metric must be used for production and failover nodes and options must match the number of licenses of the associated database

For further information, see the Licensing Data Recovery Environments Document

# Oracle Technology Software Licensing
## Server Partitioning Environments

**Server Partitioning Environments:**

### Hard Partitioning

Oracle has determined that the following technologies are permitted as a means to limit the number of Oracle Processor licenses required for a given server:

- Hard Partitioning technologies as listed in the Partitioning Document
- Oracle Trusted Partitions for certain Oracle Engineered Systems
- Oracle Linux for KVM, Oracle OVM Server, Oracle Solaris Zones

### Soft Partitioning

Segments the operating system using operating system resource managers and is not approved as a means to determine or limit number of Oracle Processor licenses required on a given server or cluster of servers

### Capacity on Demand

Oracle recognizes and allows this practice to license only the number of cores activated when a server is shipped

For further information, see the Partitioning Document

# Oracle Technology Software Licensing
## Virtualized Environments

**Virtualized Environments are considered a Soft Partitioning technology:**

- Oracle does not have a separate licensing policy for virtualization deployments of Oracle software for on premise licensing
  - Soft Partitioning technologies are not permitted as a means to determine or limit the number of software licenses required for any given server or cluster or servers
  - Virtualized environments are licensed within the parameters of the metric definition

- In general, Virtualization technologies are considered soft partitioning methods and some examples are noted in the [Partitioning Document](Partitioning Document)

# Oracle Technology Software Licensing
## Shared Storage (non-virtualized) Environments

**Shared Storage Environments:**

- Shared Storage is when a storage device is connected to and used by two or more systems

- Oracle licenses all processors where Oracle programs are installed and/or running
  - When shared storage devices with Oracle programs are mounted by multiple servers, the respective Oracle programs are required to be licensed on all the servers
  - Not recognized in soft partition environments for purposes of limiting Oracle's licensing

# Oracle Technology Software Licensing
## Authorized Cloud Computing Environments

**Authorized Cloud Environment Providers:**

- Customer can deploy their Oracle Technology programs licenses on these Authorized cloud providers:
  - Amazon EC2 and RDS
  - Microsoft Azure Platform
  - Google Cloud Platform

- For the purposes of licensing Oracle Technology programs in the Authorized Cloud, customer are required to count the maximum vCPUs of an instance type as follows:
  - Count 2 virtual CPU (vCPU) to 1 Oracle Processor license if multi-threading of a processor cores enabled, and 1 virtual CPU (vCPU) to 1 Oracle Processor license if multi-threading of processor cores is not enabled
  - Please refer to [Licensing Oracle Software in the Cloud Computing Environment Document](#) for further information

- Customer can deploy their Oracle programs on Oracle Cloud Infrastructure:
  - To determine the number of Processor licenses for Oracle Cloud Infrastructure, refer to the [Oracle Core Factor Table](#)

# 1.

# Oracle Software Licensing Basics

General Licensing

Oracle Technology Software Licensing

**Oracle Applications Software Licensing**

- General Licensing Information

- Licensing Models and Metrics

- Additional Information

# Oracle Applications Software Licensing
## General Information

**Oracle Applications Licensing:**

**Featured Application Product Lines** include the following:

- **Oracle E-Business Suite**
- **PeopleSoft**
- **Siebel**
- **JD Edwards**

### Licensing Models

Licensing Models offer flexibility for purchasing programs in different pricing models such as Component, Custom Application Bundle (CAS) or Enterprise

### Licensing Metrics

Licensing Metrics allow customers to purchase based on user or usage based counts for Component pricing, bundle users across select programs for CAS pricing or company wide type of usage for Enterprise pricing

- For further information, see respective Price List
- For other Applications including Global Business Unit, contact Oracle Sales for further assistance

# Oracle Applications Software Licensing
## Models and Metrics

**Oracle Applications Licensing Models are offered as follows:**

### Component Model

Component Model is an a la carte type of pricing for an individual product. Metrics available are:

- User-based metrics such as Application User, Employee, Subscriber, etc

- Usage-based metrics such as Electronic Order Lines, Expense Reports and $M Costs Of Goods Sold, etc

### Custom Application Suite Model

Custom Application Suite Model allows to create custom bundles across select product lines based on needs for specific user populations

- Custom Suite User is the only metric available and refers to the individual authorized to use any of the products included in the bundle and assembled across different application product lines

### Enterprise Model

Enterprise Model is ideal for large companies to license an individual product for their entire organization without the need to keep track of specific users, servers or deployment locations

- Metrics refers to company wide values, e.g. Enterprise $M in Revenue

- Contact your Oracle sales team for further assistance

# Oracle Applications Software Licensing
## Additional Information

**For Oracle Applications Licensing:**

- In most cases, add-on products must match both the number of licenses and metric of the associated product (parent). These products are noted as **Options** in the Price List

- **Minimums** are used in conjunction with license metrics and refer to the minimum number of licenses a customer is required to purchase when licensing Oracle programs for the first time

- Oracle Applications product lines are supported to run on top of Oracle Technology products
  - For certain Oracle Application product lines, Oracle Technology products are included as restricted use or separately licensed
  - See the Application Licensing Table Document for further information

- See the Product documentation at Oracle Help Center or contact your Oracle sales team for further information

**2.**

# Oracle Software Licensing Basics Examples

___

# Licensing Human Operated and Non-Human Operated Devices

**Example 1**

15 Warehouse Distribution Scanners

Oracle Database EE

4 Processors

25 Delivery Employees using 15 hand held devices

Custom Application

- Current distribution company has 15 non human operated scanners to track shipments out of the warehouse. These scanners update the Oracle Database

- There are 25 delivery employees on rotating shifts

- The delivery employees use hand held devices (15) to update Oracle Database Enterprise Edition with delivery confirmation information

- Oracle Database Enterprise Edition is running on a 4 Processors server with 24 cores per processor, with core factor 0.5

# Licensing Human Operated and Non-Human Operated Devices

**Example 1**

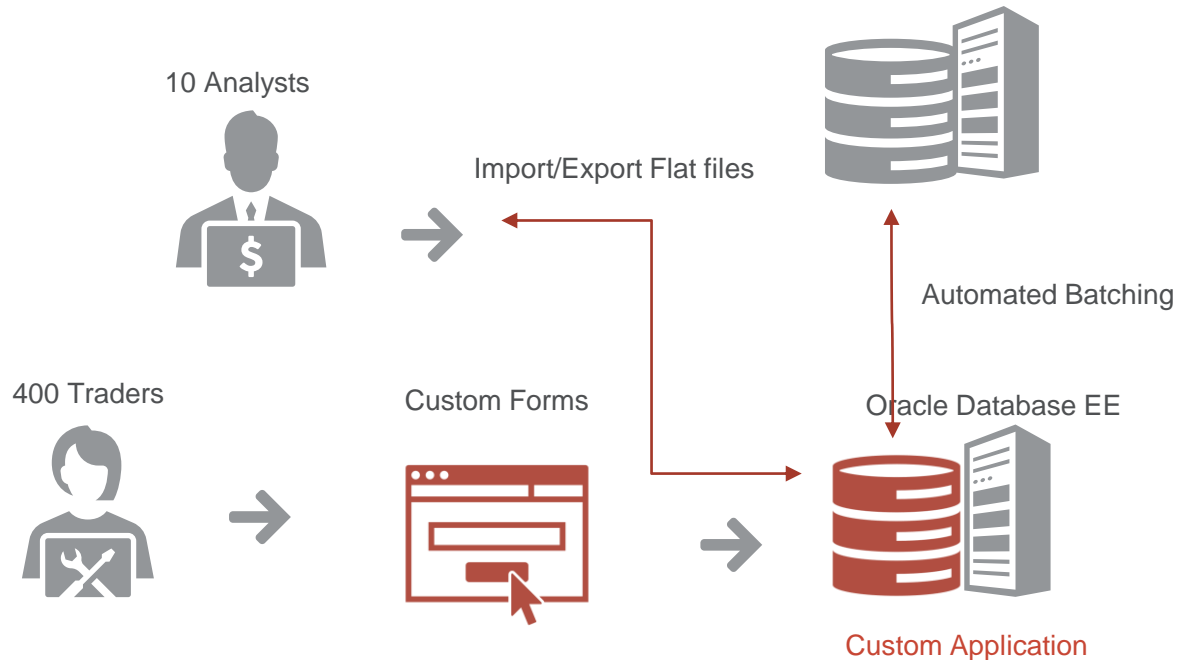| Products to be licensed | Number of licenses required |
| --- | --- |
| Oracle Database Enterprise Edition (ODBEE) | This product can be licensed by Processor or by Named User Plus metric<br><br>• **By Processor licenses with 0.5 factor:**<br>All processors where the database is installed and/or running must be licensed<br>Calculation is (4 Processor x 24 cores = 96 cores)<br>96 cores x 0.5 core factor = 48 Processor licenses required<br><br>• **By Named User Plus: the number of licenses required is:**<br>The minimum number of Named User Plus user (25 Named User Plus per Processor)<br>or the total number of actual users accessing the Database, whichever is greater<br>1) 48 Processor licenses x 25 user minimum = 1200 Named User Plus user minimum or<br>2) 15 non human operated distribution scanners + 25 delivery employees using hand<br>    held devices  = 40 Named User Plus<br>The Number of Named User Plus licenses required: 1200 user min required |

# Licensing Batch Processing

**Example 2**



- Customer has Auto batch feeds that update the Oracle Database

- 400 traders access the Oracle Database Enterprise Edition through Custom Forms

- 10 Analysts access the Oracle Database for input via flat file

- Oracle Database Enterprise Edition is running on a quad-core processor with core factor 1.0

**10 Analysts**

**Import/Export Flat files**

**Automated Batching**

**400 Traders**

**Custom Forms**

**Oracle Database EE**

**Custom Application**

# Licensing Batch Processing

**Example 2**

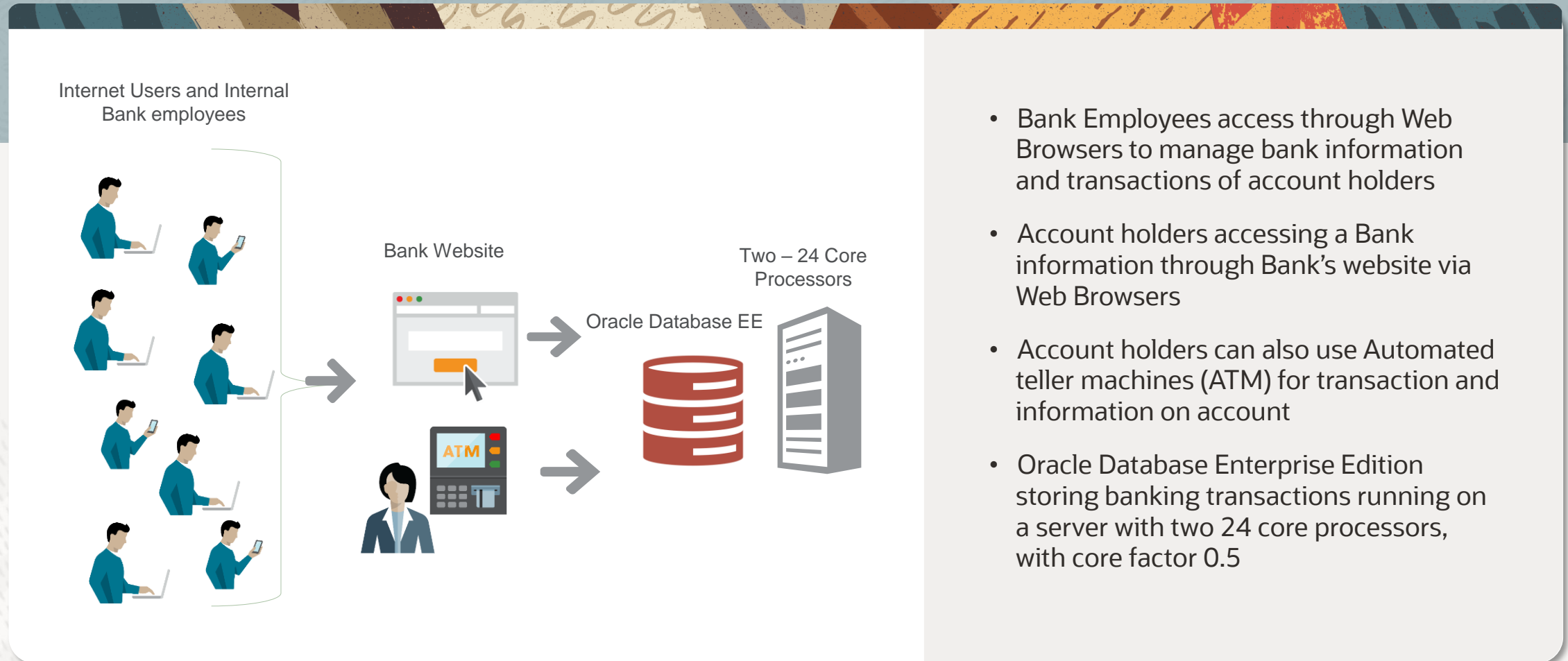| Products to be licensed | Number of licenses required |
|---|---|
| Oracle Database Enterprise Edition | This product can be licensed by Processor or by Named User Plus metric<br><br>• **By Processor licenses with 1.0 core factor:**<br>All Processors where the database is installed and/or running must be licensed<br>4 cores x 1.0 core factor = 4 Processor licenses required<br><br>• **By Named User Plus: the number of licenses required is:**<br>The Named User Plus user minimum (25 Named User Plus per Processor)<br>OR The total number of actual users accessing the Database (# of traders and analyst), whichever is greater<br>1) 4 Processor licenses x 25 user minimum = 100 Named User Plus user minimum<br>2) 400 Traders + 10 Analysts = 410 Named User Plus<br>held devices = 40 Named User Plus<br>The Number of Named User Plus licenses required: 410 |

# Licensing Multiplexing Environments

**Example 3**

Internet Users and Internal Bank employees

Bank Website

Two – 24 Core Processors

Oracle Database EE

ATM

- Bank Employees access through Web Browsers to manage bank information and transactions of account holders

- Account holders accessing a Bank information through Bank's website via Web Browsers

- Account holders can also use Automated teller machines (ATM) for transaction and information on account

- Oracle Database Enterprise Edition storing banking transactions running on a server with two 24 core processors, with core factor 0.5

# Licensing Multiplexing Environments

**Example 3**

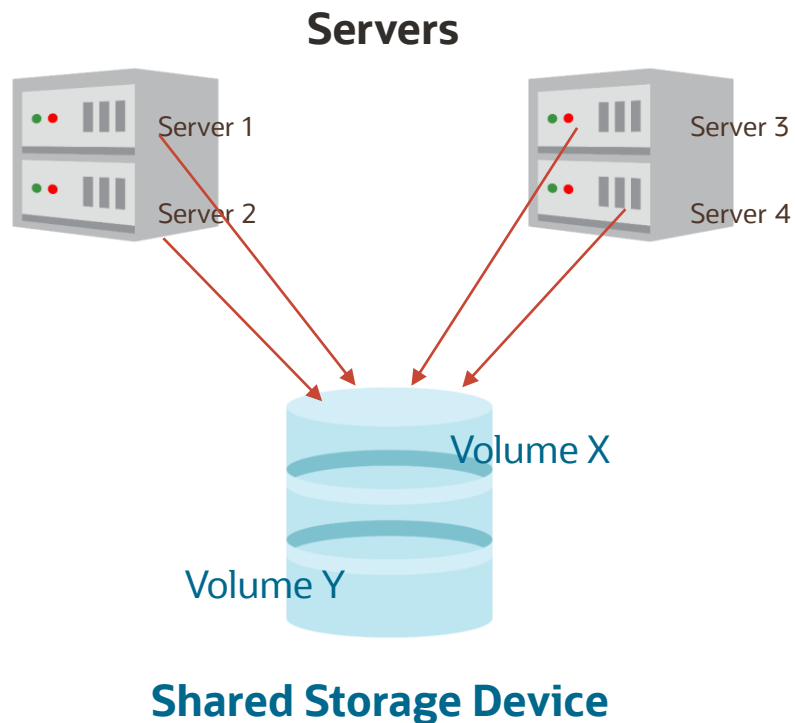| Products to be licensed | Number of licenses required |
|---|---|
| Oracle Database Enterprise Edition | This product can be licensed by Processor or by Named User Plus metric<br><br>• **By Processor licenses with 0.5 factor:**<br>  All processors where the database is installed and/or running must be licensed<br>  Calculation is (2 processor x 24 cores = 48 cores)<br>  48 cores x 0.5 core factor = 24 Processor licenses required<br><br>• **By Named User Plus: the number of licenses required is:**<br>  The minimum number of Named User Plus (25 Named User Plus per Processor)<br>  OR The total number of actual users accessing the Database, whichever is greater<br>  1) 24 Processor licenses x 25 user minimum = 600 Named User Plus user minimum or<br>  2) Uncountable population, default is Processor as economical choice<br>    held devices  = 40 Named User Plus<br>  The Number of Processor licenses required: 24 Processor |

# Licensing Shared Storage (non-virtualized)

**Example 4**



**Servers**

Server 1

Server 2

Server 3

Server 4

Volume X

Volume Y

**Shared Storage Device**

- Customer has 4 Server Nodes (nodes) that are arranged in a shared storage environment that is non virtualized.

- There are 4 Server Nodes, each with two 24-core processors with core factor 0.5.

- Customer is running WebLogic Suite and Oracle Database Enterprise Edition.

- There are 2 licensing scenarios as examples:
  - **Scenario A:** Oracle Database Enterprise Edition & WebLogic Suite are installed on Volume X and all servers mount Volume X.
  - **Scenario B:** WebLogic Suite is installed on Volume X and Oracle Database Enterprise Edition is installed on Volume Y. Servers 1 & 2 mount Volume X & Servers 3 & 4 mount Volume Y.

# Licensing Shared Storage (non-virtualized)

**Example 4**

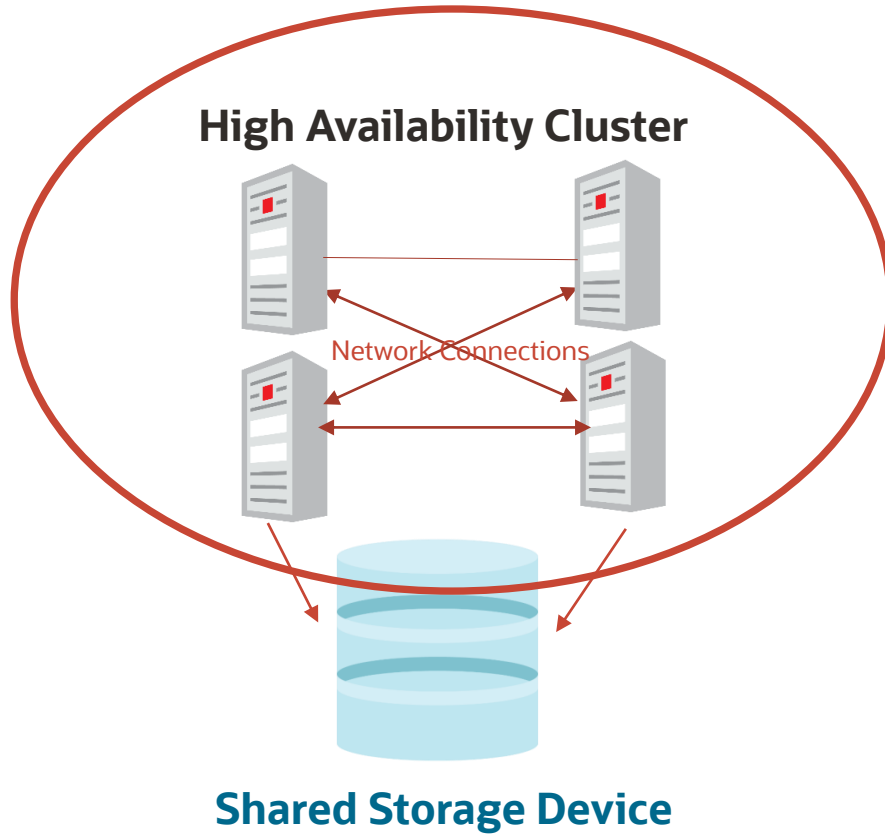| Products to be licensed | Scenario and Number of licenses required |
|---|---|
| Oracle Database Enterprise Edition & WebLogic Suite | **Scenario A:** Oracle Database Enterprise Edition & WebLogic Suite are installed on Volume X and all servers mount Volume X<br><br>• **By Processor licenses with 0.5 factor:**<br><br>   Calculation is four server nodes each with two 24 core processors = 192 Cores<br>   192 cores x 0.5 core factor = 96 Processor licenses required<br><br>For WebLogic Suite and Oracle Database EE Processor |
| WebLogic Suite<br><br>Oracle Database Enterprise Edition | **Scenario B:** WebLogic Suite is installed on Volume X and Oracle Database Enterprise Edition is installed on Volume Y. Servers 1 & 2 mount Volume X & Servers 3 & 4 mount Volume Y<br><br>• **By Processor licenses calculation with 0.5 factor:**<br><br>• For Volume X is two server nodes each with two 24 core processors = 96 Cores<br><br>   96 cores x 0.5 core factor = 48 WebLogic Suite Processor licenses required<br><br>• For Volume Y is two server nodes each with two 24 core processors = 96 Cores<br><br>   96 cores x 0.5 core factor = 48 Oracle Database Enterprise Edition Processor licenses required |

# Licensing Failover Environments

**Example 5**

## High Availability Cluster

Network Connections

**Shared Storage Device**

- Customer has a data recovery environment in a Failover High Availability cluster configuration

- 4 Server Nodes in a cluster having one single Storage/Storage Area Network (SAN)

- Customer has two 24-core processors per node with core factor 0.5

- All Server Nodes are connected to the same shared storage running Oracle Database Enterprise Edition

- Customer is licensing by Processor metric

# Licensing Failover Environments Example

**Example 5**

## Products to be licensed

Oracle Database Enterprise Edition

## Number of licenses required

This product is licensed by Processor metric

- **By Processor licenses with 0.5 factor:**

    All processors where the database is installed and/or running must be licensed.

    Calculation is for three server nodes each with two 24 core processor = 144 Cores
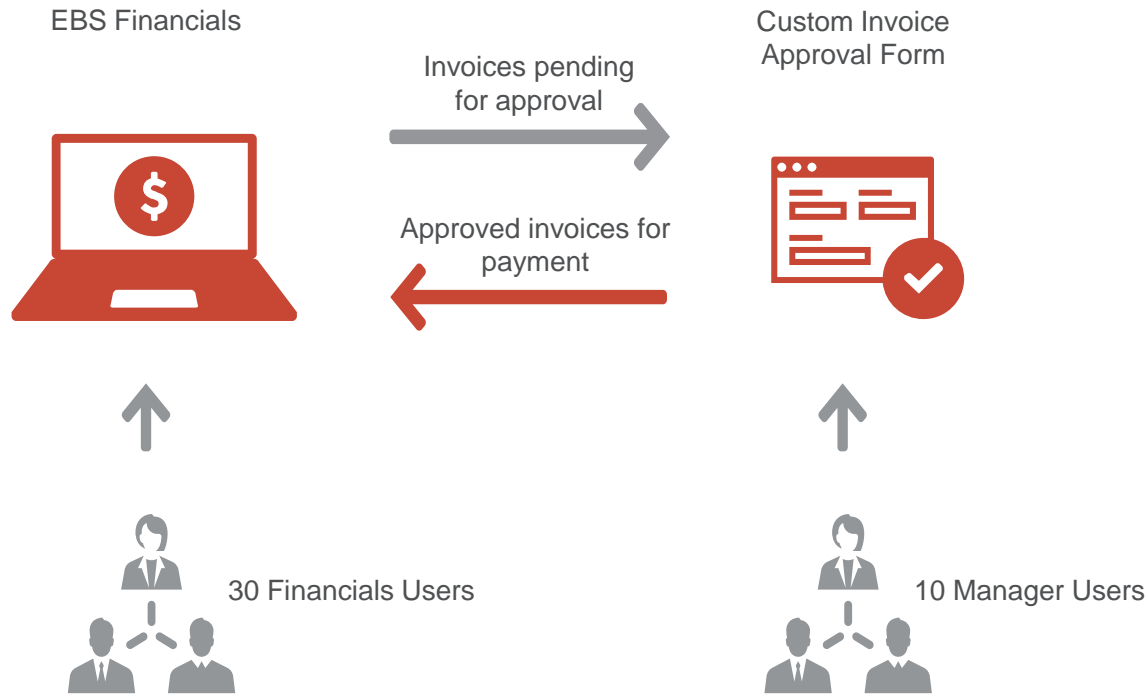
    144 cores x 0.5 core factor = 72 Processor licenses required

- Only 1 Failover node is granted free in this 4 server node cluster
- Customer needs to license 3 server nodes
- Number of Processor licenses required: 72 Processor

# Applications Licensing Environments

**Example 6**

EBS Financials

Invoices pending for approval

Custom Invoice Approval Form

Approved invoices for payment

30 Financials Users

10 Manager Users

- Company A Finance team processes their Financial information in their E-Business Suite (EBS) system using the Financials application

- Company A licenses EBS Financials in the Component model by Application User metric

- Invoices approval form has been customized for Managers to review and approve

- 10 Manager Users validate and/or approve the invoices

# Applications Licensing Environment

**Example 6**

## Products to be licensed

Oracle E-Business Suite (EBS) Financials

Application User is defined as an individual authorized by you to use the applicable licensed programs which are installed on a single or multiple servers regardless of whether the individual is actively using the programs at any given time.

## Number of licenses required

This product is licensed by Application User metric

**Number of Application User licenses required: 40**

- Users of EBS Financial application would need to be licensed and Manager Users who validate and/or approve the invoices in EBS would need to be counted for licensing in addition to the Finance Department Users

- Due to modifications made, Full Use licensing will be required for the underlying EBS restricted use technology set of products. See Application Licensing Table for further information on modifications

# 3.

## Resources

# Resource Links

1. [Oracle Contracts](#)

2. [Oracle Global Pricing](#)
   - [Technology Price List](#)
   - [Applications Price List](#)

3. Available on Oracle.com as Documents to download or view
   - [Oracle Database Licensing](#)
   - [Partitioning Policy](#)
   - [Data Recovery Environments](#)
   - [Licensing Oracle Software in Cloud Computing Environment](#)
   - [Application Licensing Table](#)
   - [Oracle Processor Core Factor Table](#)