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Oracle Licensing Made Simple
– What You Need to Know



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Oracle licensing is extremely complex and ever-changing.

Keeping on top of Oracle license rules and their impacts on your business can be as difficult as it is frustrating.

Our Oracle licensing experts are here to help...

If you want to understand Oracle licensing then getting a firm grasp of the basics is the obvious place to start. This article provides an overview of Oracle licensing to help build your knowledge and understanding in the following three core areas:

- Deployment Environments
- Support
- Oracle Licensing for user and device models

For help with your Oracle licensing challenges, why not speak to one of our experts today?

Deployment Environments

Development

Within a development environment, you may use any Oracle products and

licenses provided you download them from the Oracle Technology Network (OTN), which requires you to agree to an OTN Development License. As you may expect, this is a limited license that gives you the right to develop applications using licensable Oracle products, but not to deploy them.

The OTN Development License places restrictions on what you can do and is not part of the Oracle License and Services Agreement (OLSA). For example, only one person may use the downloaded products for development, and that work must be performed on only one server. Products downloaded from the OTN may not be used for any other activity, internal data processing, or commercial or production use.

Test

All the Oracle products you use in your Test environment are subject to the same licensing requirements as Production environments. Essentially, this means you must have sufficient licenses under the OLSA or another valid Oracle licensing agreement.

Production

All Oracle products used in your Production environment must be licensed, either through the OLSA or some other type of Oracle licensing agreement. To gain full visibility of your Oracle application, database and middleware deployments in these three environments, you need a solution like Certero for Oracle, which will help you find, identify and understand usage of your Oracle software.

Support

Oracle support contracts can be provided under a perpetual or

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subscription licenses. If you have perpetual licenses, your support will be charged separately per year. With a support agreement in place you can contact Oracle directly for assistance and have the rights to use almost all the latest versions of Oracle's software, including all previous versions that are still supported. For some Oracle products, your support agreement may not give you the rights to use them so you should always check your terms and conditions.

Oracle support agreements add an additional layer of complexity to understanding your Oracle licensing. This is largely due to historically agreed terms and conditions still being valid and active today. You should not rely on your invoices to understand what your licenses entitle you to use, as support invoices do not convey all the complexities you need to understand.

For subscription licensing, support is provided as standard. However, once your subscription period ends, so too does your support agreement and your rights to use Oracle's software. With Certero for Oracle you can store your Oracle support contracts and build a calendar of all your license renewals.

Oracle Licensing

Unlimited License Agreements

Oracle licensing is based on the foundation of Unlimited License Agreements (ULA). These are time based but unlimited use rights, which cover certain subsets of Oracle products. At the end your ULA period, you have to declare your usage of these products to Oracle, along with a count of the number of user licenses you need. You are then granted the licenses for the products covered by the ULA.

Processor Licensing

Where your users cannot be counted or verified, Oracle uses processor licensing. An example of when this might occur is web applications. These are hosted in environments where counting your user licenses is difficult. To calculate your licenses you can multiply the total number of cores of the processors used, by a core processor licensing factor. The core processor licensing factor is specified on your Oracle Processor Core Factor Table, which you should be able to locate in your Oracle contract's terms and conditions. Payment is 'per processor' used to run your Oracle software. However, Oracle has a specific definition of what a 'processor' is, which may not mirror the definition used by your hardware vendor.

If you are licensing your Oracle products under Standard Edition One or Standard Edition, a processor is defined as equivalent to a socket. However, if you have multi-chip modules, each chip is defined as equivalent to a socket. If you have Named User Plus licenses (see User Licensing below), Product Minimums come into play. Minimums are per processor and calculated after the number of processors requiring licenses has been determined.

Processor licensing is not offered if you are using Personal Edition Oracle products.

User Licensing

Oracle user-based licensing covers the individuals and devices that have the ability to access your Oracle software, irrespective of their active usage.

Named User Plus (NUP) is the main user-based license and is available many Oracle products. Under this license, automatic batching of data from computer-to-computer is permitted. What this means is if you store

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data in one relational database and then batch it to your data warehouse that uses Oracle technology, you (as a user of the first database) are not considered a named user of the data warehouse.

It is important to note, NUP licensing can only be used in countable environments to cover your employees, contractors or internally used applications. Many Oracle customers use this license type for development and test environments.

In the past, Oracle did have another license type called Named User, but it is no longer available for new customers. However, it may still be part of your existing Oracle licensing agreements. Essentially this license covers individuals within your organization who have been authorized to use your Oracle software, irrespective of whether they are actively using it. These people can be employees or contractors, but also customers who may use your Oracle products either directly or indirectly via other applications. If you have non-human devices in your architecture, such as sensors or other IoT technology, these may also need to be counted as named users.

Named User Licensing

Named User Licensing limits the number of individuals who are authorized to use Oracle on any of your servers. This type of license is no longer available to new customers but may be part of your existing Oracle licensing agreements.

Named User Plus Licensing

Named User Plus licensing is charged per user, where a user is defined as any 'end-node' that receives or creates data from an Oracle database. This can include humans or systems and as part of this license, you must adhere to the Oracle User Minimums rule.

Device Licensing

Concurrent Device Licensing

Concurrent Device (CD) licenses are no longer available to new customers but again, they may be part of your existing Oracle licensing agreements. Essentially, these licenses are defined by Oracle as 'the maximum amount of input devices connected to the designated system at any given point in time'. There is also a Network License version.

Application Specific Full Use

Application Specific Full Use (ASFU) licenses are sold by Oracle Solution Providers in conjunction with third party application packages. An example may include purchasing an Oracle ASFU license from SAP AG to allow you to use Oracle with a system such as SAP/R3. The subsequent license is application specific and cannot be used for anything else.

Getting a grip on Oracle Licensing

There's no escaping that Oracle licensing can be very complex and difficult to understand. There are many subtleties and nuances that impact licensing and costs, which are ever changing. This article only scratches the surface and there are many more layers of complexity underneath. For a more comprehensive guide, download our Oracle License Optimization white paper.

To take control of your Oracle licensing, you have a number of options to choose from:

Go it alone

If you have good Oracle licensing knowledge in-house, you might decide

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that you know enough to be able to optimize your Oracle licensing position internally. If you choose this option, you'll still need a technology that gives you full visibility of the deployed Oracle software and databases, and we would recommend storing the license entitlements, contracts and support documentation centrally for easier reference at the point of a true-up or audit. Take a look at Certero for Oracle for more information on Oracle inventory and license management.

Get help

If you decide you don't have the Oracle licensing expertise internally, your best chances of optimizing your Oracle estate comes from specialist consultants who work with Oracle contracts every day. In this case, you might consider an Oracle Effective Licensing Position from Certero, which combines the brainpower of your Oracle licensing specialists with the technologies to find and track Oracle software usage across the IT estate.

Left unmanaged, one of two things will happen with your Oracle spend. Either you will over-spend as you consume too much software and fail to optimize the deployed databases and applications. Or you will face a financial shock when an Oracle audit or license review shows how much Oracle you're really using and what it's going to cost you.

If you are ready to take control of your Oracle licensing, **speak to an expert today** and let us help you choose the best way forward.