

Software Audit Associations in Other Countries

By Brian Von Hatten

With expanding international economies, it is no surprise that companies outside the United States are facing software compliance challenges. This is true for companies existing solely in the foreign country, or US based companies with subsidiaries or operations outside the US. Further, it is no surprise that there are audit associations operating in larger foreign countries. Our firm was recently asked how to respond to an inquiry by a South American audit association, Software Legal Argentina, regarding software located at its South American operations. Because of this situation our firm took pause to consider the differences in responding to a “typical” software publisher audit letter in the US and one received in a country outside the US.

Much of the process is the same, however there are additional considerations. The majority of the differences take place on the front end, between the time the audit letter is received and before responding to the letter. These considerations include the following:

1. Verify the authenticity of the inquiring association. The players in the US are well known, but when dealing with software publisher associations in other countries, ensure they are who they purport to be.
2. Inquire as to the authority by which the foreign association is conducting its inquiry. Just because the association is valid as discussed in point number one, that alone does not authorize them to conduct an investigation into your software installation activities.
3. Inquire as to the breadth of their inquiry. Assuming number one and two, ensure to manage the scope of the inquiry. If they are authorized to audit the installation activities of one entity pursuant to some existing license agreement, you should limit your response to matters within the scope of the authorized inquiry only.

Additional considerations include retaining counsel experienced in responding to software audits and confidentiality provisions regarding your disclosures of information.



About the author Brian Von Hatten:

Brian represents many large and mid-market organizations on matters related to transactions, software licensing, and disputes. Brian’s focus includes substantial attention to complex information technology issues for companies of all sizes.

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