

Originals and copies

The AEG did not accept that annual licence fees for software without a long-term contract should be treated as fixed capital; the payments should be treated as rentals.

In general, software should be treated in a similar way to any other asset. As a result, a long-term lease of software can be treated as a financial lease.

If a large initial payment is followed by a series of smaller annual fees, the initial payment is treated as fixed capital formation and the annual fees as a service charge.