Unlicensed Software Could Undermine the Objectives of the Upcoming NIS Directive, BSA Study Shows

BRUSSELS — May 25, 2016 — Despite recent improvements, the widespread use of unlicensed software exposes European businesses to cyber threats and risks jeopardizing the objectives of the recently adopted Network and Information Security (NIS) Directive, according to the new Global Software Survey from BSA | The Software Alliance, *Seizing Opportunity Through License Compliance*.

The survey, which involved consumers, IT managers, and enterprise PC users, found that 29% of the software installed on computers in the EU in 2015 was not properly licensed. Even in certain critical industries, unlicensed use was surprisingly high for the banking, insurance and securities industries.

More importantly, the survey also shows a strong link between the use of unlicensed software and cyberattacks. And these attacks are expensive. A successful cyberattack on average costs an organization $11 (€9.71) million, according to industry estimates. In the aggregate, IDC estimates that organizations spent more than $400 (€353) billion last year alone responding to the fallout from cyberattacks.

“Many Europeans businesses are playing with fire by using unlicensed software,” said Thomas Boué, Director General, Policy - EMEA at BSA | The Software Alliance. “Under-licensing not only represents lost commercial value for software companies, but it also leads to significant costs for many EU businesses that have to deal with cyberattacks.”

The findings of the study demonstrate how the use of unlicensed software can undermine the objectives of the recently approved NIS Directive, which aims to ensure a high common level of cybersecurity in the EU.
“We look forward to the upcoming formal adoption of the NIS Directive and strongly believe that the issue of unlicensed software needs to be tackled across Europe to avoid compromising the NIS Directive’s benefits, particularly when it comes to critical infrastructure security. We can notably do so by encouraging companies to establish in-house software asset management (SAM) programs” said Mr. Boué.

Seizing Opportunity Through License Compliance, BSA’s Global Software Survey, which includes a breakdown of country-specific data, is available at www.bsa.org/globalstudy.

About BSA | The Software Alliance
BSA | The Software Alliance (www.bsa.org) is the leading advocate for the global software industry before governments and in the international marketplace. Its members are among the world’s most innovative companies, creating software solutions that spark the economy and improve modern life. With headquarters in Washington, DC, and operations in more than 60 countries, BSA pioneers compliance programs that promote legal software use and advocates for public policies that foster technology innovation and drive growth in the digital economy.

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