



# Commercial Licensing Guide



## Table of contents

---

Chapter 1: Introduction to Microsoft Commercial Licensing .....	4
How to use this guide.....	4
Keys to understanding Microsoft Commercial Licensing .....	4
Programs for the type and size of an organization.....	5
Programs for public sector and other organizations.....	6
Licensing on-premises software.....	6
Licensing Microsoft cloud services .....	7
Microsoft Financing .....	7
Chapter 2: Choosing a Commercial Licensing program for commercial organizations .....	8
Microsoft Open Programs.....	8
Microsoft Open programs: three options .....	9
Microsoft Enterprise Agreement .....	10
Microsoft Products and Services Agreement .....	17
Microsoft Select Plus agreement.....	19
Price-Level Adjustment.....	20
Price Level for Government Organizations .....	21
Price Level for Academic Organizations.....	21
Comparing Commercial Licensing programs .....	22
Taking the next step .....	22
Chapter 3: Choosing a Commercial Licensing program for a government organization .....	22
Worldwide government licensing .....	22
United States government licensing.....	22
Home Use Program for government employees .....	23
Choosing the right option.....	24
Comparing Commercial Licensing programs for government .....	25
Taking the next step .....	25
More resources.....	25
Chapter 4: Choosing a Commercial Licensing program for a nonprofit organization .....	26
Transactional licensing .....	26

How to acquire nonprofit discounts .....	26
More resources.....	27
Chapter 5: Choosing a licensing agreement for a school or university .....	27
Transactional licensing .....	27
Subscription licensing.....	28
How to acquire academic discounts.....	30
Work at Home .....	30
Microsoft Imagine.....	30
Student licensing.....	31
Taking the next step .....	31
Chapter 6: Microsoft Commercial Licensing programs for software and service partners .....	31
Cloud Solution Provider .....	32
Independent Software Vendor Royalty Licensing Program.....	32
Services Provider License Agreement.....	33
Chapter 7: Using products licensed through a Microsoft Commercial Licensing program .....	35
Product licensing models.....	35
Resources and tools.....	48
Managing licenses.....	49
Chapter 8: Microsoft Software Assurance.....	51
Software Assurance benefit eligibility .....	51
Available benefits .....	51
Acquiring Software Assurance .....	53
Taking the next step .....	53

---

# Microsoft Commercial Licensing Guide

## Chapter 1: Introduction to Microsoft Commercial Licensing

Acquiring software licenses through Microsoft Commercial Licensing is different than acquiring retail boxed software licenses. A retail software license is usually sold in a box and contains media (CD-ROM or DVD format), a user's guide, access to product support, and Microsoft Software License Terms. The Software License Terms dictate how the software can and cannot be used.

Software acquired through Microsoft Commercial Licensing is a software license only that gives the right to run a Microsoft software product. Organizations can save above retail boxed software prices when they participate in a Microsoft Commercial Licensing program. By acquiring software licenses through Volume Licensing, organizations pay for only the software license and not for additional materials. Microsoft Commercial Licensing also offers Software Assurance, a single, cost-effective program that includes unique technologies, services, and use rights to help customers deploy, manage and use Microsoft software and services more efficiently. Software Assurance is only available through Volume Licensing, and is included with some Volume Licensing agreements and is an optional purchase with others.

When acquiring software through a Microsoft Commercial Licensing agreement, there's a choice to acquire primary or supplemental media, documentation, and product support separately by download or physical media.

### How to use this guide

This guide is an overview of the key features of Microsoft Commercial Licensing programs. The information is presented by organizational type and size, two of the most important keys to determining the best Commercial Licensing option.

The key chapters by organizational type are the following:

- ▶ Commercial business organization.
- ▶ Government organization.
- ▶ Academic organization.
- ▶ Nonprofit organization.
- ▶ Software and service partners.

Each chapter also contains information about the additional benefits and resources that are available with each agreement, such as software asset tracking tools, maintenance programs, and online management services. At the end of each chapter, there's a quick feature comparison chart and an online selection tool.

In addition, separate chapters provide overviews of the following two key areas that apply to most Commercial Licensing agreements in varying ways:

- ▶ Product Terms (which replaced the Product List and Product Use Rights documents). This provides information about product availability across Commercial Licensing programs. It describes conditions on license acquisition in addition to product-specific terms, and conditions governing how Microsoft products can be used in the Commercial Licensing programs.
- ▶ Software Assurance, which helps customers enhance licensing value and improve business agility by providing a unique set of technologies, services, and product use rights in one cost-effective program.

### Keys to understanding Microsoft Commercial Licensing

The following are a few key organizational characteristics to help understand Microsoft Commercial Licensing policies and agreements and help choose the best option for an organization:

---

# Microsoft Commercial Licensing Guide

- ▶ The size and type of an organization.
- ▶ The products that an organization wants to license.
- ▶ The way in which an organization wants to use those products.

## Programs for the type and size of an organization

At the most basic level, the Microsoft Commercial Licensing agreement models address organizations in the following main categories:

- ▶ Organizations with 500 or more users or devices.
- ▶ Organizations with 250 or more users or devices.
- ▶ Organizations with more than five but fewer than 250 users or devices.

For organizations with 500 or more users or devices, Microsoft offers the following options:

- ▶ **Microsoft Enterprise Agreement\*** offers the best value to large commercial and government organizations and provides the flexibility to buy cloud services and software licenses under one agreement in response to the changing technology landscape. The Enterprise Agreement offers a subscription option, which lowers initial licensing costs based on *subscribing* to the rights to use Microsoft products and services instead of *owning* them. The subscription option allows for an increase or decrease of subscription counts annually. With the subscription option, an organization can access Microsoft software for the duration of their subscription.

\*500 minimum user/device requirement is for commercial customers effective [July 1, 2016](#). This does not apply to the Server and Cloud Enrollment. The minimum requirement for public sector customers is 250 users/devices. For more information, please see the [Enterprise Agreement program guide](#).

For organizations with 250 or more users or devices, Microsoft offers the following options:

- ▶ **Enrollment for Education Solutions (EES)** provides qualified academic customers of all sizes a way to acquire Microsoft software and services under a single subscription agreement. The EES provides coverage for Desktop Platform Products through one annual count of employees, the ability to add additional products as needed, student licensing options, and the benefits of Microsoft Software Assurance.
- ▶ **Microsoft Products and Services Agreement (MPSA)** is available for midsize and large commercial and government organizations that require 250 or more licenses for online services, software, and Software Assurance (optional), and do not want an Enterprise Agreement. It's also for organizations looking to make as-needed purchases.
- ▶ **Microsoft Select Plus** is for midsize and large government and academic organizations with 250 or more users or devices with multiple affiliates that want to license software and services at any business unit level, while still getting the price saving advantages of being a single organization. Select Plus for commercial organizations is no longer available to new customers.

For organizations with fewer than 250 users or devices, the Microsoft Open agreements provide volume discounts for a minimal up-front cost and are widely available. Open agreements provide the following three purchasing license options for commercial businesses and public sector organizations:

- ▶ **Open License** is for commercial, government, and education customers who want a minimum initial purchase of only five software licenses. This program is ideal if an organization prefers to pay as they consume services or use licenses, and to change their licensing agreement as the organization grows. Qualifying for volume purchasing also occurs under the volume feature of Open License. Open volume purchasing is for customers who can meet minimum purchase levels based on a system of product pools and points. With an entry minimum of 500 points from a single product pool, this program offers deeper discounts for a greater savings.
- ▶ **Open Value Subscription** is for commercial customers who want to subscribe to, rather than acquire, Microsoft product licenses. Available in select countries or regions, Microsoft Open Value Subscription provides the lowest

---

# Microsoft Commercial Licensing Guide

up-front costs of the Open options with the flexibility for customers to reduce their total licensing costs in years when their desktop PC count declines.

- ▶ **Open Value Subscription for Education Solutions** is for eligible education customers that want to subscribe to Microsoft licenses and cloud services. This agreement offers low up-front costs with access to Microsoft software licenses and cloud services for the term of the agreement through subscription-based licensing.
- ▶ **Open Value** is for commercial customers with as few as five PCs and offers the advantages of Software Assurance, simplified license management, and an annual payment structure. Open Value offers Organization-wide and Non-Organization-wide options.

In addition to size, consider an organization's primary function. For example, special pricing is available for government, academic, and nonprofit organizations.

## Programs for public sector and other organizations

For public sector organizations with fewer than 250 users or devices, Microsoft offers customized versions of the Open agreements: Open License, Open Value, and Open Value Subscription. The Open License for Academic and Open License for Government agreements are like commercial Open License, but with a single price level and different partner channels. In some countries or regions, government organizations can also participate in the Open Value for Government and Open Value Subscription for Government agreements. Also, in some countries or regions, nonprofit organizations can participate in the Open License for Nonprofit agreement. Check with a Microsoft Reseller for availability.

Government and academic organizations with 250 or more users or devices can participate in the Select Plus agreement. Government organizations can also participate in the Enterprise Agreement.

For education institutions that prefer to license software on an annual subscription basis, Microsoft offers two unique programs: Microsoft Enrollment for Education Solutions (for higher education institutions and primary/secondary schools) and Microsoft School Enrollment (for primary/secondary schools only).

Microsoft also offers programs that can meet the specific needs of organizations that work in partnership with Microsoft to provide additional software and services, such as the Microsoft Independent Software Vendor Royalty Licensing and Distribution Agreement and the Microsoft Services Provider License Agreement.

## Licensing on-premises software

Another key factor to consider—aside from organizational type and size—is which products and services an organization wants to license. Different product families fall under different licensing models. For example, a desktop application, such as Microsoft Office Professional 2016, requires a license for each device that is running the program locally or accessing the program on a network server. Customers can install any number of copies locally on licensed devices or on a network device for remote use by licensed devices. Only one user can use the software on, or from, a licensed device at any one time.

A desktop PC operating system, such as the Windows 10 Professional operating system, allows a customer to install one copy of the software on a licensed device or within a local virtual hardware system on a licensed device for each license the customer acquires.

In Commercial Licensing, the desktop PC operating system license is an upgrade license. Upgrade licenses can be acquired only for devices for which an organization already has licensed a qualifying operating system, either preinstalled on a PC through a PC manufacturer or as full packaged product from retail. The Product Terms shows the qualifying operating systems that qualify for an upgrade license. It is available on the Commercial Licensing website at [www.microsoft.com/licensing/products/products.aspx](http://www.microsoft.com/licensing/products/products.aspx).

Meanwhile, server products are licensed by server, processor, or core, and, in some cases, by access points. Some server products require a license for each running instance of the server software that an organization uses on a server—whether in a physical or virtual operating system environment. Other server products require licenses for each physical

---

# Microsoft Commercial Licensing Guide

processor on the server or each core in the physical processors on the server. For example, Windows Server 2016 Standard is licensed by physical core and permits a running instance in up to two virtual operating system environments, plus one host instance on the physical device solely to manage the virtual instances on the licensed server. Windows Server 2016 Datacenter edition is also licensed by physical core, but allows use of any number of instances of the software. Note that the processor-based server licensing model has been retired. Legacy customers who still have rights to use earlier versions of Windows Server under the processor-based licensing model can find more information by downloading the [Windows Server 2012 R2 Licensing Guide](#).

Windows Server as well as some of the server application products (e.g., Microsoft Exchange Server or Microsoft SharePoint Server) require a Microsoft Client Access License (CAL) for each user or device that accesses the server software. CALs are version specific and must be the same version or later than the server software being accessed. CALs permit access to servers licensed by the same entity. They do not permit access to another entity's licensed servers.

## Licensing Microsoft cloud services

In addition to traditional on-premises software licenses, Microsoft offers subscriptions to cloud services. How an organization adds cloud services through Commercial Licensing depends on the following two factors:

- ▶ Whether an organization wants to purchase value-added partner services
- ▶ Whether an organization wants to standardize on Microsoft products organization wide

Organizations wanting Microsoft cloud services should go through Microsoft Online Subscription Program at [www.microsoft.com/online](http://www.microsoft.com/online) or through a Cloud Service Partner for value-added partner services. Customers that are 500 users/devices\* and above who have or want to standardize on Microsoft products should use Enterprise Agreement.

\*The minimum requirement for public sector customers is 250 users/devices. For more information, please see the [Enterprise Agreement program guide](#).

## Microsoft Financing

Microsoft Financing provides commercial and public sector customers with an affordable and predictable way to acquire the IT solutions that organizations want to help cut costs and increase efficiencies.

Microsoft works with multiple financing providers in 14 countries/regions around the world to offer financing solutions under the Microsoft Financing program. Microsoft Financing solution partners work with organizations to define their technology-related needs and objectives, set up a payment structure that works with an organization's budget, and help an organization maintain cash flow.

Microsoft Financing provides one financing resource for an organization's IT needs, including software, services, and product offerings. For organizations that already license software from Microsoft, flexible payment options are convenient and allow an organization to spread out the costs of the licenses during an extended period, thus preserving cash resources.

Microsoft Financing offers a simple and easy method of lending without any additional fees. Typically, no down payment is required, and terms range from two to five years, making it easy to match an organization's payments to their business operations and immediately begin to realize IT benefits.

Microsoft Financing helps an organization be strategic with their IT purchases in the following ways:

- ▶ Acquire the IT solution an organization needs to achieve their business goals.
- ▶ Manage software, services (such as deployment), partner products, and hardware as one investment.
- ▶ Align IT benefits with costs.
- ▶ Enjoy a fast, easy, and responsive lending process.

---

# Microsoft Commercial Licensing Guide

Find out how a predictable and affordable payment structure can help an organization get the IT they need and stay on budget. Visit the Microsoft Financing home page at [www.microsoft.com/financing](http://www.microsoft.com/financing) for more details.

## Chapter 2: Choosing a Commercial Licensing program for commercial organizations

Microsoft offers a variety of agreements to help businesses of all sizes manage how they purchase software licenses. These agreements cover everyone from smaller organizations with a handful of devices/users to multinational organizations that manage tens of thousands of client and server units.

Volume discounts are the most obvious benefit of these agreements, but Commercial Licensing also helps organizations with the following tasks:

Tracking software use to ensure legal compliance.

Deploying updates and new versions, especially on devices/users.

Organizing software license purchasing through centralized purchasing practices.

All organizations can also subscribe to online services through the Microsoft Online Subscription Program or through a Cloud Service Partner.

In general, Microsoft Commercial Licensing commercial agreements align to two main categories: those for companies with fewer than 250 users or devices and those for companies with 250 or more users or devices.

For organizations with up to 250 users or devices, the Microsoft Open agreements—Open Value, Open Value Subscription, and Open License—have flexible, low-entry requirements. Open agreements offer three choices to meet an organization's specific needs, and they are all available from resellers, solution providers, and online vendors.

For organizations with 500 or more users or devices, Microsoft offers the Microsoft Enterprise Agreement.\* For organizations with 250 or more users or devices, Microsoft offers the Microsoft Products and Services Agreement, Microsoft Open Value, and Open Value Subscription. options are available through Microsoft Licensing Solution Partners (LSPs) and Microsoft Enterprise Software Advisors (ESAs). Both LSPs and ESAs offer flexibility in payment schedules.

\*The minimum requirement for public sector customers is 250 users/devices. For more information, please see the [Enterprise Agreement program guide](#).

### Microsoft Open Programs

*Organizations with fewer than 250 users or devices*

Open Program offerings are a convenient and simple way for corporate, academic, charity<sup>1</sup>, and government<sup>2</sup> organizations with at least five devices/users to acquire the latest Microsoft technology. These offerings provide volume discounts for a minimal up-front cost and are available broadly through a worldwide partner channel.

---

<sup>1</sup> Not available for charitable organizations in all countries/regions. Check with a reseller regarding current availability.

<sup>2</sup> Open Value for Government is an option for government organizations with up to 250 users or devices.

---

# Microsoft Commercial Licensing Guide

Although Microsoft Open Programs are available to any size organization, they are most often used by organizations with fewer than 250 users or devices. The Open Programs offer many benefits, including the following:

- ▶ **Simplicity.** Start using licensed products as soon as an order is placed through the Open License pay-as-you-go model.
- ▶ **Affordability.** All Open Programs offer flexible payment options so that an organization can stretch their software procurement budgets further than they can with retail license purchase options.
- ▶ **Flexibility.** A broad worldwide partner channel ensures that an organization has convenient and fast access to thousands of software titles.
- ▶ **Value.** Manage licenses easily and conveniently through the Microsoft Commercial Licensing Service Center.

## Microsoft Open programs: three options

There are three options available through the Microsoft Open program: Open Value (Organization-wide or Open Value Non–Organization-wide), Open Value Subscription, and Open License. All Open programs require a minimum of five qualified devices.

### Open Value

The Open Value program is a flexible and affordable way to use and manage Microsoft licensed products under a single agreement. The program is a three-year term commitment that includes Software Assurance. The Open Value program has the following options from which to choose.

#### Organization-wide option

Open Value Organization-wide offers commercial and government organizations additional savings for standardizing all their devices/users, devices/users on one or more Microsoft enterprise product. With this single platform option, an organization can customize their devices/users by choosing separate components, including the desktop operating system, Microsoft Office applications, and Office 365/CAL Suites, plus additional software products selected in an organization's agreement that include the following platform product options:

- ▶ Desktop operating system: Windows Enterprise Upgrade.
- ▶ Microsoft Office applications: Microsoft Office Professional Plus and Office 365 Professional Plus.
- ▶ CAL Suites: Microsoft Core CAL Suite, Enterprise CAL Suite, Office 365 E1, Office 365 E3, Office 365 E5.

The Open Value Organization-wide option includes discounts on organization-wide deployment.

#### Non–Organization-wide option (five qualified devices minimum)

If an organization needs licenses for servers or for a limited number of devices/users, they can open a Non–Organization-wide Agreement for any product license purchases.

### Open Value Subscription

Open Value Subscription offers flexible annual payments tied to the number of devices/users an organization has and the lowest up-front costs. The benefits include:

- ▶ Additional savings in the first year if an organization has current or previous versions of organization-wide licensed products.
- ▶ The option to add the organization-wide licensed products that an organization has selected on new devices/users throughout the year at no additional cost for that year.
- ▶ Lower payment through the years as an organization's desktop PC count declines.

# Microsoft Commercial Licensing Guide

Like the organization-wide option, the Subscription option offers the Single-Platform option to standardize desktop PC software across an organization with a customizable platform that allows them to mix and match components.

## Platform option

With both Open Value organization-wide and Open Value Subscription, an organization can choose to standardize desktop PC licensed products across an organization on all three components on the platform (desktop operating systems, Microsoft Office applications, and Office 365/CAL Suites) and receive additional savings. The platform option provides the simplest way to manage desktop PC licenses because an organization does not need to track which version is installed on which desktop PC.

## Open License

Open License is a two-year term commitment ideal for organizations that want a minimum initial purchase of five software licenses. This program is also great for a growing organization's changing business needs because it offers a pay-as-you-go model.

**Open License volume purchase option:** If an organization is purchasing larger volumes of Microsoft software licenses but still prefer the pay-as-you-go model, the volume option is a two-year term commitment with product pools and points. It provides deeper per unit discounts, resulting in significant savings, if the volume of software licenses is high enough.

To participate in the Open License Volume Purchase option, an organization must meet a minimum purchase level of 500 points. Points are determined by the software product mix and the license quantity that an organization plans to purchase. Because the volume option uses product pools and points to calculate the 500-point minimum purchase, it is important to understand the product pools and points formula.

Product pools group similar Microsoft software products to achieve deeper volume pricing discounts. The following are some examples:

- ▶ The **applications** pool includes products such as the Microsoft Office suites, Microsoft Project, Microsoft Visio, and the Microsoft Visual Studio.
- ▶ The **systems** pool includes the Windows operating system upgrades such as Windows 10 Pro and Windows 10 Enterprise.
- ▶ The **server** pool includes products such as Microsoft SQL Server Standard Edition database software and Microsoft Exchange Server.

Point values are assigned to each licensed product. For example:

- ▶ Microsoft Office Professional Plus is worth four points.
- ▶ Windows Server Standard is worth 15 points.

By adding the number of points earned, an organization can determine whether they meet the minimum purchase requirement. For a full list of point values, refer to the Product Terms at [www.microsoft.com/licensing/products/products.aspx](http://www.microsoft.com/licensing/products/products.aspx).

## Microsoft Enterprise Agreement

*Organizations with 500 or more users or devices*

The Microsoft Enterprise Agreement offers the best value to organizations with 500 or more users or devices\* (250 users or devices for Government customers) that want a Commercial Licensing program that gives them the flexibility to buy cloud services and software licenses under one three-year agreement.

### Tip...

Subscribing to software license coverage through the Enterprise Subscription Agreement can potentially provide financial benefits, since companies can treat it as an operational expenditure that may provide tax savings.

---

# Microsoft Commercial Licensing Guide

## Enterprise Agreement key attributes

At the onset of the agreement, pricing is based on a tiered volume discount structure, meaning the greater the size of an organization, the less they pay per license. If an organization adds devices or users during their agreement, the per device/user licensing costs remain the same, or may be reduced, given the Enterprise Agreement volume pricing levels during their three-year agreement term.

All Enterprise Agreements include Software Assurance benefits that an organization can use to plan deployments, ready their users for new software, and support Microsoft products and services.

An organization can spread the cost of their Enterprise Agreement across three annual payments, helping predict future budgets. If they add new users or devices during their Enterprise Agreement, an organization can equip them with software and services they are already using and then account for these changes once a year, through an annual reconciliation process known as True-up.

An organization can choose to either purchase their software licenses through the Enterprise Agreement or subscribe to licenses through the Enterprise Subscription option, which offers lower short-term costs and the ability to increase or downsize their subscriptions annually.

## Enrollments under the Enterprise Agreement

Organizations can realize additional savings and benefits when buying the following Enrollments:

- ▶ **Enterprise Enrollment and Enterprise Subscription Enrollment** provides the best pricing per user, per device, or hybrid licensing flexibility, and simplified license management for end-user technologies from Microsoft. In the Enterprise Enrollment, on-premises licenses are generally perpetual; in the Subscription Enrollment, on-premises products are generally licensed on a subscription basis. Online Services are available in both Enrollments.
- ▶ **Server and Cloud Enrollment (SCE)** provides the best pricing, cloud-optimized licensing options, and simplified license management when buying one or more server and cloud technologies from Microsoft.

## Enterprise Enrollment

The Enterprise Enrollment gives an organization the best value when they buy Microsoft end-user technologies on a per-user, per-device, or hybrid basis. It provides a range of benefits, including best pricing and terms, cloud and user-optimized licensing options, and simplified license management, when customers make an organization-wide commitment to Enterprise Products and Enterprise Online Services.

## Enterprise Products and platforms

Enterprise Products include on-premises licenses for Microsoft core desktop products, such as Windows Enterprise Upgrade, Office Professional Plus, and the Core and Enterprise Client Access License (CAL) suites. Under the Enterprise Agreement, these must be licensed on an organization-wide basis and can be ordered as individual product components or together as a platform (with an additional discount).

The following Enterprise Products are included in the Professional Desktop Full Platform:

- ▶ Windows Enterprise Upgrade.
- ▶ Microsoft Office Professional Plus.
- ▶ Core Client Access License Suite.

# Microsoft Commercial Licensing Guide

The following Enterprise Products are included in the Enterprise Desktop:

- ▶ Windows Enterprise Upgrade
- ▶ Microsoft Office Professional Plus
- ▶ Enterprise CAL Suite

For a complete list of Enterprise Products, refer to the Microsoft Product Terms, available on the Commercial Licensing website at [www.microsoft.com/licensing/products/products.aspx](http://www.microsoft.com/licensing/products/products.aspx).

## Secure Productive Enterprise E3 and E5

Secure Productive Enterprise is a per user licensing option that includes Office 365, Enterprise Mobility + Security, and Windows 10 Enterprise. Secure Productive Enterprise is available in two options, E3 and E5. Secure Productive Enterprise provides licensing flexibility in a single, per-user SKU, including new cloud-first, on-premises capable licensing rights to use to help subscribers transition from on-premises environments. Secure Productive Enterprise E3 and E5 is available through the Enterprise Agreement (EA), Enterprise Agreement Subscription (EAS), Microsoft Products and Services Agreement (MPSA) for commercial and government customers, and in the Cloud Solution Provider (CSP) program for customers with cloud-only deployments.

### How to get Secure Productive Enterprise

Secure Productive Enterprise E3 and E5 is available through the Enterprise Enrollment or Enterprise Subscription Enrollment as a full USL, Add-on license, or an "From SA" USL. Here are the licensing options:

License	Who it's for	Orderable at
<b>Secure Productive Enterprise Full USL</b>	<ul style="list-style-type: none"><li>▶ New EA/EAS customers who want to license the Enterprise Platform as cloud services on a per user basis</li><li>▶ Existing EA/EAS customers who:<ul style="list-style-type: none"><li>▶ Are not currently licensed for Office Professional Plus, CAL Suites, and Windows 10 Enterprise (Enterprise Platform) and want to license it as cloud services on a per user basis; <i>or</i></li><li>▶ Want to license net new users for the Enterprise Platform as cloud services on a per user basis</li></ul></li></ul> <p>Note: Alternatively, these customers may buy Licenses and Software Assurance (L+SA) for Office Professional Plus, CAL Suites, and Windows Enterprise Upgrade, and then add Secure Productive Enterprise Add-on.</p>	Mid-term, anniversary, or renewal
<b>Secure Productive Enterprise Add-on</b>	<p>Existing EA/EAS customers who:</p> <ul style="list-style-type: none"><li>▶ Are currently paying for Licenses and Software Assurance (L+SA) for Office Professional Plus, CAL Suites, and Windows 10 Enterprise (Enterprise Platform), <i>and</i></li></ul>	Mid-term, anniversary, or renewal

---

# Microsoft Commercial Licensing Guide

---

- ▶ Want to license some or all existing users for the Enterprise Platform as cloud services on a per user basis before renewal, *or*
- ▶ Want to maintain on-premises use rights for existing and new users for the Enterprise Platform

---

## Secure Productive Enterprise “From SA” USL

Existing EA/EAS customers who:

- ▶ Have fully paid licenses for Office Professional Plus, CAL Suites, and Windows Enterprise Upgrade (Enterprise Platform), *and*
- ▶ Are currently paying for Software Assurance only, *and*
- ▶ Want to license existing users for the Enterprise Platform as cloud services on a per user basis

Renewal (recommended) or anniversary

---

## Additional Products

A broad selection of Microsoft products and services are available as Additional Products. These may be added initially, or at any point during the term of an Enterprise Agreement, allowing an organization to more easily build and maintain departments or divisions with specific needs and still enjoy volume pricing advantages and an annualized payment option. Additional Products can include device-based licenses, user-based licenses, cloud services, and other licenses that support an IT environment, such as CALs.

For Additional Products acquired at signing, an organization has the option to spread payments over three years. Spreading out the cost of software licenses over three years can help an organization refocus critical IT budget and provide budget predictability. Any Additional Products that are included at signing have set pricing for the annual True-up reconciliation process.

Examples of software products available as Additional Products include Office Visio, Office Project, Windows Server, and Exchange Server. For a complete list of Additional Products, refer to the Microsoft Product Terms, available on the Commercial Licensing website at [www.microsoft.com/licensing/products/products.aspx](http://www.microsoft.com/licensing/products/products.aspx).

## Server and Cloud Enrollment

The Server and Cloud Enrollment (SCE) is an enrollment under the Enterprise Agreement. For customers that commit to standardizing broadly on Microsoft server and cloud technologies, the SCE provides a range of benefits, including new cloud-optimized licensing options, simplified license management, and the best pricing and terms. Additional benefits are also available, such as full cloud management and unlimited support.

How the SCE works:

1. Select from *one or more* of the available components to enroll in:
  - ▶ Core Infrastructure (Windows Server and System Center).
  - ▶ Application Platform (SQL Server, BizTalk Server, and SharePoint Server).
  - ▶ Developer Platform (Visual Studio).
  - ▶ Microsoft Azure.

---

# Microsoft Commercial Licensing Guide

2. Identify the installed base for each component in which an organization is enrolled. The installed base includes:
  - ▶ Any existing licenses deployed with Software Assurance.
  - ▶ Any existing licenses deployed without Software Assurance.
  - ▶ New licenses that are being purchased at signing.
3. Ensure full Software Assurance coverage. The SCE requires full Software Assurance coverage of an organization's installed base. This can be achieved by:
  - ▶ Renewing Software Assurance on existing licenses current with Software Assurance.
  - ▶ Adding Subscription SKUs or new Licenses and Software Assurance for existing deployments that are not current with Software Assurance.
4. Ensure full System Center coverage for Windows Server. The SCE requires full System Center coverage for Windows Server. This means an entire Windows Server installed base must also be licensed with System Center.

After enrolling in the SCE, an organization receives benefits, including:

- ▶ The ability to run the latest version of all products enrolled.
- ▶ Subscription licensing options.
- ▶ Full cloud management benefit when enrolling into the Core Infrastructure component.
- ▶ Unlimited Support for qualifying customers.

## Agreement structure and details

The Enterprise Agreement structure offers greater flexibility for enrolled affiliates located in different countries and regions. Purchasing is independent, yet consolidated under one master program. The Enterprise Agreement structure includes the following three components:

- ▶ The **Microsoft Business and Services Agreement** is required. This is a master agreement that defines contract terms common to Microsoft licensing, service, and support agreements. The customer signs the Microsoft Business and Services Agreement only once with or prior to the Enterprise Agreement.
- ▶ The **Enterprise Agreement** defines the terms for Enterprise and Additional Product license acquisitions, subsequent orders, True-ups, and perpetual use rights.
- ▶ An **Enrollment (Enterprise, Enterprise Subscription, or Server and Cloud)** establishes the basic information an organization can use to buy product licenses under the Enterprise Agreement. It defines purchase details like the term of the licensing arrangement, products, subsidiaries, language options, and Enterprise Subscription Agreement (or Licensing Solutions Partner, where applicable).

## Terms

Each Enrollment has a three-year term during which all the terms and prices of products covered in the initial order remain consistent. This means an organization can plan and budget for software license purchases up to three years in advance, reducing annual budget restrictions and easing fiscal year spending challenges. Each enrollment also has the option for a three-year renewal term.

---

# Microsoft Commercial Licensing Guide

## Extended payment terms

With Extended Payment Terms from Microsoft, an organization can pay for their Enterprise Agreement on a monthly, quarterly, bi-annually, or custom payment plan. Extended Payment Terms are automatically offered to all corporate Enterprise Agreement customers (subject to credit approval). The benefits to Extended Payment Terms include the following:

- ▶ **Greater flexibility and choice.** Benefit from more flexible payment terms (monthly, quarterly, bi-annual, or customized) without having a specific arrangement with Microsoft.
- ▶ **A quick and simple process.** Extended Payment Terms are activated through a simple and short amendment to an existing Enterprise Agreement.
- ▶ **Ease of access.** Because the Extended Payment Terms option is embedded into the Enterprise Agreement, an organization can choose from a range of payment terms, per their needs when they buy.
- ▶ **The ability to get more value.** Payments can be structured to fit an organization's budget cycles, so they can afford a more comprehensive solution today and pay for it over time.

## Price protection

The price protection feature of the Enterprise Agreement provides a predictable price an organization can use to forecast technology costs up to three years in advance. When an organization orders a product in the Enterprise Agreement, the pricing for future orders of that product are determined to be protecting them from unanticipated price increases, making it easier to stay within their software license budget during the Enrollment term.

## True-up and License Reservation

During the time of enrollment in the Enterprise Agreement, an organization's business will likely grow, and they will add devices, users, software, and services. When adding devices, users, software, or services to an Enterprise Agreement, an organization can immediately use the same software or services included at the beginning of the enrollment term. They report devices, users, software, or services through an annual process called a True-up order (or License Reservation for online services).

True-up orders and License Reservation consolidate orders for additional quantities that are deployed during the year under one order annually (including the third year before any renewal). An organization can also true-up multiple times throughout the year as an added benefit in managing costs.

This feature is in addition to the annual True-up required each year. The annual True-up feature helps reduce time and expense by consolidating the report of multiple additional software use under one purchase order. If an organization does not add anything during the year, an update statement is reported to alert Microsoft not to expect a True-up order.

## Step-up Licenses

With the Software Assurance Step-up benefit, an organization can upgrade to a higher product edition without incurring the full cost of the higher edition. For further details, please refer to the [Enterprise Agreement Program Guide](#).

## How to determine on-premises pricing levels

The total quantity of Qualified User and Devices that are licensed when an organization enrolls in the Enterprise Agreement determines the price level for Enterprise Products and any Additional Products licensed under the corresponding product pool.

---

# Microsoft Commercial Licensing Guide

Generally, Qualified Devices include the personal desktop computers, laptops, mobile phones, tablets, and similar devices that are used by, or for the benefit of, an enterprise.

Qualified Devices do not include any computers dedicated to run only line-of-business software or any system running an embedded operating system. Qualified Users are generally persons who use Qualified Devices or who accesses the resources of the company's server software or online services.

As part of enrollment, an organization is responsible for reporting the number of Qualified Users and Devices in their organization. This number is the quantity an organization indicates on the initial order at signing, along with any additional users or devices added throughout the term of their enrollment, which would be covered by submitting the annual True-up order.

Customers who sign an Enterprise Agreement enrollment are referred to as Enrolled Affiliates, and customers can elect to include affiliated legal entities under their enrollment. Each enterprise must consist of entire legal entities, not partial entities such as departments, divisions, or business units. Each affiliate must be entirely included or entirely excluded from the count.

For commercial customers, price levels for Enterprise Products are determined using the following table:

Price level	Users and/or Devices
A	2,399 or fewer
B	2,400 to 5,999
C	6,000 to 14,999
D	15,000 or more

Qualifying Government customers receive Level D pricing.

When new customers license one or two of the components listed below, they receive a 15 percent discount off the price they would have paid when licensing through a Select Plus agreement. Renewing customers receive a five percent discount on their Software Assurance renewal:

- ▶ Windows Enterprise Upgrade.
- ▶ Microsoft Office Professional Plus.
- ▶ Core CAL Suite or Enterprise CAL Suite.

New customers who enroll in the full Professional or Enterprise Platform (the Windows Enterprise operating system upgrade, Office Professional Plus, and Core CAL Suite or Enterprise CAL Suite) can receive an additional 15 percent platform discount on top of their already discounted Enterprise software Product purchase. Renewing customers also receive an additional five percent discount on Software Assurance.

## Microsoft Online Services

Keeping pace with the expanding array of Microsoft cloud services, the Enterprise Agreement also gives the flexibility to choose among on-premises software and online services to best suit user needs and help optimize an organization's technology spend.

---

# Microsoft Commercial Licensing Guide

Microsoft delivers a comprehensive set of cloud services and enterprise applications for user productivity, customer management, communication services, and custom business applications. Microsoft cloud services include Secure Productive Enterprise, Office 365, Enterprise Mobility and Security Suite, Azure, and Dynamics 365.

## Enterprise Online Services

An Enterprise Online service is an online service that satisfies organization-wide licensing commitments and counts toward establishing volume pricing levels.

With the Enterprise Agreement, an organization can move their on-premises licenses to eligible online services during the life of the Enterprise Agreement or at renewal, and maintain or increase their Enterprise Agreement commitment. An organization-wide commitment for Enterprise Products can be satisfied with a mix of Enterprise Products and Enterprise Online Services. Mid-term, an organization can also add Enterprise Online Services for existing users with an Add-on license; Add-ons offer discounted access to online services based on existing on-premises Software Assurance commitment.

## Additional Online Services

With an Enterprise Agreement, an organization can also license the full breadth of Microsoft online services

Additional Online Services do not satisfy the coverage requirement. Some Additional Online Services are delivered as per-user subscriptions (for example, Dynamics 365), while others, like Microsoft Azure, rely on a pay-as-you-go service model.

Contact a Microsoft account representative or preferred reseller to learn more.

## Microsoft Products and Services Agreement

*Commercial, Government, and Academic organizations with 500 or more users or devices*

The Microsoft Products and Services Agreement (MPSA) is a single agreement for transactional purchases of Online Services, software, and Software Assurance (an optional purchase) across an organization. Organizations can save time and money by combining points from purchases organization-wide for the best price level, reducing the administrative overhead associated with managing multiple agreements. Suited for organizations with 500 or more users or devices, the MPSA is the best option for transactional purchases of Software and Online Services.

With the MPSA, an organization gets:

- ▶ A single agreement with integrated purchasing for software, Software Assurance, and Online Services. The organization decides how and when they license Software and Online Services across their organization.
- ▶ More flexible purchasing options with Purchasing Accounts to establish a custom purchasing structure, so an organization has greater control of how to purchase.
- ▶ The flexibility to choose a mix of software and Online Services and combine those purchases for the best possible discount.
- ▶ The ability to provision and subscribe to Microsoft Online Services for any number of users as needed, so an organization can flexibly and gradually migrate users and applications to the cloud.
- ▶ The option to purchase Software Assurance which includes unique technologies, services, and use rights to help organizations deploy, manage and use Microsoft products more efficiently.
- ▶ Access to the self-service Microsoft Business Center that consolidates purchases into a single view, making it easier to manage assets.

---

# Microsoft Commercial Licensing Guide

## The agreement

The MPSA is the foundational agreement that consolidates common terms and conditions from standard contracts into a single, non-expiring agreement for all organizations. This single agreement combines the applicable terms and conditions that are found in the current Microsoft Business and Services Agreement and the Microsoft Select Plus Agreement,\* as well as the Microsoft Online Services purchasing terms and conditions. The MPSA allows multiple “account types,” such as commercial, academic, and government, to exist under a single agreement.

By consolidating licensing into a single, non-expiring agreement, organizations can save time and resources spent on purchasing and asset management. The simplified agreement also shortens agreement processing times, so they can get started using products and services faster.

\*Effective July 1, 2016, in markets where the MPSA is available, Microsoft will stop accepting new orders and Software Assurance renewals through existing commercial Select Plus agreements at the next agreement anniversary date. This retirement does not apply to government and academic Select Plus agreements. More information is at [www.microsoft.com/selectfaq](http://www.microsoft.com/selectfaq).

## Purchasing Accounts

The Purchasing Account is another significant enhancement to the Commercial Licensing agreement. An organization can register one or more Purchasing Accounts with the MPSA. Each Purchasing Account is enrolled as a buying entity for the organization. An organization can name the Purchasing Account whatever they choose, and it can include any part of an organization, such as an affiliate, department, division, or other internal group, depending on how they want to structure purchasing for their organization. Although Purchasing Accounts are separate buying entities, they are all tied to an organization’s MPSA through the legal entity that is registering the accounts.

Accurately managing an entire license portfolio is easier than ever. An organization can view and manage purchases by individual Purchasing Accounts, legal entities, account types, or by the entire organization. Manage “accounts” rather than agreements, because an organization has one buying relationship with Microsoft and one agreement with an organizational view. Organizations can also work with multiple Microsoft partners under a single Purchasing Account for their transactional purchases.

## The Agreement Administrator

For each MPSA, one Purchasing Account is designated as the Agreement Administrator. This gives the Agreement Administrator an all-up view of all assets in an organization and a single source for managing accounts.

### The Agreement Administrator account:

- ▶ Is provided a full-asset view across all accounts.
- ▶ Is notified when a Purchasing Account is associated to an MPSA.
- ▶ Has the right to terminate the association of any accounts to the MPSA.
- ▶ Has the right to terminate the MPSA itself.

## Establishing price levels for commercial organizations

The MPSA categorizes software products into three distinct product pools with tiered price levels: applications, systems, and servers. The price level for each pool is based on purchase volume, which earns product points with automatically tiered discount levels.

For additional information about pricing levels and pools, see the [Select Plus section](#) of this document.

## Microsoft Business Center

The Microsoft Business Center is used to manage products and services acquired through the MPSA. Through the Microsoft Business Center, an organization can also purchase and assign Microsoft Online Services and manage

---

# Microsoft Commercial Licensing Guide

Software Assurance benefits across the entire organization, quickly and accurately. Enhanced online self-service tools give better management capabilities by making it easier for an organization to access all the information they need about their assets through a single portal.

## The Microsoft Business Center:

- ▶ Provides a clear view of MPSA purchases and Software Assurance benefits, with easy-to-find information and data shared among an organization, their partner, and Microsoft.
- ▶ Makes it easier to find information quickly by using new search functionality for product catalogs.
- ▶ Gives easy access to both standard and customized versions of various reports.
- ▶ Allows self-provisioning of Microsoft Online Services seats for immediate access in real time for an organization through an easy-to-use interface.
- ▶ Simplifies how to understand, manage, and use Software Assurance benefits.

## Microsoft Select Plus agreement

*Commercial, Academic and Government organizations with 250 or more users or devices*

Microsoft Select Plus is no longer available to commercial organizations.

*Effective July 1, 2016, in markets where the MPSA is available, Microsoft will stop accepting new orders and Software Assurance renewals through existing commercial Select Plus agreements at the next agreement anniversary date. This retirement does not apply to government and academic Select Plus agreements. More information is at [www.microsoft.com/selectfaq](http://www.microsoft.com/selectfaq).*

### This section applies to Select Plus agreements for government and academic customers

The Microsoft Select Plus agreement is for midsize and large organizations with 250 or more users or devices that also have mixed software requirements. It is also ideal for customers who want to purchase licenses as needed. Select Plus increases purchasing flexibility and provides automatic price savings based on purchase volume across the entire organization.

#### Select Plus offers the following:

- ▶ **Asset visibility** across the entire organization and centralized reporting because all affiliate purchases are tied to their own unique customer IDs.
- ▶ **Automatic price savings** for purchases across the entire organization and the full value of Microsoft Software Assurance coverage, no matter when the purchase.
- ▶ **Streamlined contract process** with a single organization-wide agreement that never expires, Software Assurance alignment (Software Assurance is optional), and licensing consolidation.
- ▶ **Software Assurance** is automatically prorated to a third affiliate account anniversary, eliminating the need to track multiple Software Assurance coverage expiration dates.

## Agreement structure

The Select Plus agreement provides flexibility for enrolled affiliates located in different countries and regions. Purchasing is independent, yet consolidated under one master agreement. Select Plus consists of the following three components:

- ▶ **The Microsoft Business and Services Agreement** defines contract terms common to Microsoft licensing, service, and support agreements. Customers need to sign this required master agreement only once with or prior to the Select Plus agreement.
- ▶ **The Select Plus agreement** enrolls an organization in the Commercial Licensing program so they can purchase product licenses and services at volume discount prices.

# Microsoft Commercial Licensing Guide

- ▶ **The Select Plus affiliate registration form** identifies buying affiliates within an organization and enrolls them in the program. As a result, they can acquire software licenses and services under the Select Plus agreement. An organization must have at least one lead affiliate registered using this form (additional forms are optional).

## Establishing price levels for commercial organizations

Select Plus categorizes software products into three distinct product pools: applications, systems, and servers. The price level for each pool is based on product points earned for automatic tiered discount levels.

- ▶ **Applications.** Examples of Microsoft applications include Microsoft Office Professional 2013, Skype for Business, and Microsoft Office Project 2013.
- ▶ **Systems.** An example of a Microsoft desktop computer operating system software program is Windows operating system upgrades such as Windows 8 Professional Edition.
- ▶ **Servers.** Examples of Microsoft server software programs include the Windows Server operating system, Microsoft Exchange Server, Microsoft SQL Server database software, and associated Client Access Licenses.

Each software product carries a point value. For example, Office Professional 2013 is worth two points, Microsoft Online Services Subscription is one point, and Windows Server Standard 2012 is 15 points. The Software Assurance component of License and Software Assurance is worth half the total point value of its accompanying license annually. For example, if Office Professional 2013 is worth two points, Software Assurance is worth one point for each year it is maintained during the term of the Select Plus agreement for a total of three points during the three-year term of the coverage (prorated between 25 and 36 months).

### An organization can acquire points for each product pool with these options:

- ▶ Acquire new Licenses.
- ▶ Acquire License and Software Assurance.
- ▶ Renew Software Assurance for products already covered with Licenses and Software Assurance from a previous order or where Software Assurance is purchased based on the eligibility rules.
- ▶ Associate a Select Plus agreement with an existing commercial or government Enterprise Agreement, Enterprise Subscription Agreement, Campus and School Agreement, or Select License agreement that has a better price level.

The points earned apply to all of an organization's affiliates registered under the agreement. For more information and to see a full product point list, please visit [www.microsoftvolumelicensing.com/userights/PL.aspx](http://www.microsoftvolumelicensing.com/userights/PL.aspx).

For commercial organizations, there are four price levels. The points for each price level are listed below.

Select Plus price level – commercial	Annual point minimums per pools
A	500
B	4,000
C	10,000
D	25,000

## Price-level adjustment

If a Select Plus agreement is associated with an active Enterprise Agreement, Enterprise Subscription Agreement, or Campus and School Agreement, an organization does not need to comply with annual point minimums. However, if an

---

# Microsoft Commercial Licensing Guide

organization Select Plus Agreement has been associated with a Select License or other Volume Licensing agreement to set the initial price level, they must meet the point minimums for each subsequent annual compliance check.

An initial order, which can be submitted by a registered affiliate, qualifies an organization for the corresponding price level. Once qualified for a price level, an organization can purchase at that level for the remainder of the year or until they qualify for the next price level through increased purchase volume. Purchases made under a Select Plus agreement by registered affiliates are aggregated and continuously factored into point minimums per pool to achieve the most beneficial price level. An organization will attain the next price level for a pool as soon as they meet the corresponding annual point minimums. The order that qualifies an organization for the next discount threshold (e.g., Level A to Level B) receives the discount. Price levels for each product pool are reviewed every year on the agreement anniversary date. Any points that an organization has achieved in a given year that are in excess of the current price level but below the next price level will be carried over to the next year to be counted toward that year's compliance.

*Note: For eligible academic and government organizations, there is a single price level and the price level adjustment does not apply.*

If an organization purchases below the annual point minimum in a product pool during any given year, an organization's price level changes one level (e.g., moving from Level C to Level B) for that pool the following year and no points will be carried over to the next year. An organization's pricing level can only descend a maximum of one level each year.

If an organization is at Level A (or an academic or government customer) and achieve fewer than 500 annual points in a product pool for a given year, the pool will be put on hold until they reach the 500-point level again. An order for the minimum annual points automatically reactivates the product pool, with no need to sign new forms or renegotiate the agreement terms.

## Price level for government organizations

Eligible government organizations receive volume pricing for all government entities within a country. This will most often be equivalent to the Select Plus price level (Level D) offered to commercial organizations. Government eligibility definitions vary by region.

Government eligibility requirements are available at

[www.microsoftvolumelicensing.com/userights/DocumentSearch.aspx?Mode=3&DocumentTypeId=6](http://www.microsoftvolumelicensing.com/userights/DocumentSearch.aspx?Mode=3&DocumentTypeId=6).

To locate a regional Microsoft Commercial Licensing website, go to

[www.microsoft.com/licensing/index/worldwide.aspx](http://www.microsoft.com/licensing/index/worldwide.aspx).

## Price level for academic organizations

Eligible academic organizations receive special pricing. Pricing is typically set at the same single price level (Level A) as for Select License for Academic. Academic eligibility definitions vary by region.

Academic eligibility requirements are available at

<https://www.microsoft.com/en-us/licensing/product-licensing/products.aspx>

To locate a regional Microsoft Commercial Licensing website, go to

[www.microsoft.com/licensing/index/worldwide.aspx](http://www.microsoft.com/licensing/index/worldwide.aspx).

---

# Microsoft Commercial Licensing Guide

## Comparing Commercial Licensing programs

To gain a deeper understanding of the different licensing agreement options available to non-governmental customers, please visit

[Microsoft licensing agreements comparison for commercial organizations.](#)

For academic organizations, the different licensing agreement options are described in this document:

[Microsoft licensing agreements comparison for academic organizations.](#)

## Taking the next step

- ▶ The Microsoft License Advisor ([www.microsoft.com/licensing/mla/](http://www.microsoft.com/licensing/mla/)) can help an organization prepare their licensing plan. This online tool provides Commercial Licensing program comparisons and guidance, simplifies Microsoft product selection through a series of questions, and produces a downloadable report and estimated retail price or recommended retail price quote. The Microsoft License Advisor also enables an organization to share their quote securely with a Microsoft Reseller.
- ▶ Commercial Licensing experts, including Microsoft representatives and partners or an authorized reseller nearby, can provide guidance and insight about how to acquire or renew Microsoft volume licenses.

### United States and Canada

- ▶ Find a reseller online at Microsoft Partner Center: <https://partnercenter.microsoft.com/en-us/pcv/search>.
- ▶ Call toll-free (800) 426-9400 in the United States, or (877) 568-2495 in Canada.

### Worldwide

- ▶ Find Commercial Licensing contacts for a country or region at [www.microsoft.com/licensing/worldwide.aspx](http://www.microsoft.com/licensing/worldwide.aspx).

## Chapter 3: Choosing a Commercial Licensing program for a government organization

*These programs are for government organizations that want to acquire software licenses and achieve volume discounts.*

Microsoft Commercial Licensing offers agreements that can meet the needs of an eligible government organization. Flexible and affordable licensing solutions are tailored to an organization's size and purchasing preference so they can find the best agreement for their organization and manage their licenses with ease.

With Commercial Licensing pricing, an organization can control spending and better serve citizens with solutions built on Microsoft technology. The eligibility requirements depend on locale and can be found at <http://www.microsoftvolumelicensing.com/DocumentSearch.aspx?Mode=3&DocumentTypeId=6>.

### Worldwide government licensing

Eligible government organizations receive special government pricing with one price level. Customers should contact a Microsoft subsidiary or partner for pricing information.

### United States government licensing

In the United States (US), Commercial Licensing agreements are available for state, local, regional, and federal government agencies.

---

# Microsoft Commercial Licensing Guide

## US federal civilian agencies

Microsoft offers preferred pricing to US federal civilian agencies through various resellers and contracting vehicles, such as General Services Administration (GSA) Schedules and Microsoft Commercial Licensing agreements.

It is likely that an agency has a Microsoft Commercial Licensing agreement—such as a Microsoft Enterprise Agreement—in place with one of the Microsoft Authorized Government Resellers, so an organization can license software directly from the designated reseller. A list of authorized resellers in the United States is at <https://enterprise.microsoft.com/en-us/articles/industries/government/federal/how-to-buy-federal/>.

To learn more about programs for US federal government departments and agencies, visit <https://enterprise.microsoft.com/en-us/industries/government/>.

## State, local, and regional organizations

Most states in the United States have at least one active Microsoft Commercial Licensing agreement. If an organization licenses Microsoft software for a state or local government agency, they are probably eligible to use an existing agreement to acquire the licenses that they need at the best possible prices.

With the variety of agreement types offered by Microsoft Commercial Licensing, an organization can tailor their choice to their organization's size and purchasing preference. Microsoft also offers the ability to purchase online services through the volume licensing agreements for government organizations, with the exception of Select Plus.

### The following are the options for eligible government organizations:

- ▶ **Microsoft Enterprise Agreement for Government.** If a state has a Microsoft Enterprise Agreement, an agency can save up to 25 percent compared to other licensing programs. They need only 250 users or devices to qualify. Enterprise Subscription Agreement offers the same benefits with subscription-based licensing.
- ▶ **Microsoft Products and Services Agreement for Government.** The Microsoft Products and Services Agreement consolidates purchases into one simplified agreement with purchasing for Online Services and software. The Purchasing Account structure gives an organization flexible purchasing options and more control of how to purchase. Software Assurance is optional.
- ▶ **Microsoft Select Plus for Government.** Consider a state-level Select Plus agreement to complement an existing Enterprise Agreement for department-level license acquisition. With Select Plus, an organization can choose from a wide range of Microsoft software products for their agency at volume discounts.
- ▶ **Microsoft Open License for Government.** The Open License for Government program provides simple and flexible pricing during a two-year period. It is the best option for government organizations that want easy, one-time transactions for small quantities of software licenses.
- ▶ **Microsoft Open Value for Government.** Open Value for Government is for small and midsize organizations that want simplified license management, predictable software costs, better control over their software expenditure, and spread payments.
- ▶ **Microsoft Open Value Subscription for Government.** To align more closely with government organization procurement requirements, a one-year Open Value Subscription option is available, giving government organizations the flexibility to choose from a one-year or three-year term.

To learn about programs for state, local, and regional government agencies, visit <https://enterprise.microsoft.com/en-us/industries/government/>.

## Home Use Program for government employees

Many government employees are entitled to use Microsoft Office software on their home computer as part of the Microsoft Home Use Program (HUP). The Home User Program is a benefit of Software Assurance that offers employees the latest version of Microsoft Office for their home computers through a low-cost download. Home use helps support

---

# Microsoft Commercial Licensing Guide

flexible work environments and helps improve productivity by accelerating familiarity with the newest Microsoft Office products.

## Choosing the right option

A variety of programs can be tailored to the size and purchasing preference of an organization.

### Small and midsize government organizations

For small and midsize government organizations, Microsoft Commercial Licensing has three options that offer flexibility and are sized right for an organization's needs and procurement procedures: Open Value for Government, Open Value Subscription for Government, and Open License for Government.

To align more closely with government organization procurement requirements, a one-year Open Value Subscription option is available with Open Value Subscription for Government. This option gives government organizations the flexibility to choose from a one-year or three-year term.

Program	Description
Open License for Government	Acquire licenses from a choice of qualified resellers through an easy, one-time transaction. Software Assurance is optional.
Open Value for Government*	Offers simplified license management, predictable software costs, and spread payments. Software Assurance is included.
Open Value Subscription for Government*	Get the same benefits as Open Value for Government with lower up-front costs. This program provides access to Microsoft software licenses for the term of the agreement through subscription-based licensing. A one-year Open Value Subscription option is also available for eligible government customers.

\*Not available in some countries/regions. Contact a reseller to check current availability.

### Midsized and large government organizations

For midsized and large government organizations, Microsoft Commercial Licensing offers programs that provide a cost-effective way to simplify license management and help increase employee productivity.

Program	Description
Enterprise Agreement for Government	Standardize technology across an organization with the latest Microsoft products. Provides simplified license management with a single agreement, predictable software costs, and spread payments. Software Assurance is included.
Enterprise Subscription Agreement for Government	Get the same benefits as the Enterprise Agreement with lower up-front costs. Includes access to Microsoft software licenses only for the term of the agreement through subscription-based licensing. Software Assurance is included.

---

# Microsoft Commercial Licensing Guide

---

Microsoft Products and Services Agreement	Acquire Microsoft software licenses and cloud services across any affiliate or department level. Microsoft Products and Services Agreement offers the ability to acquire licenses as needed in a single agreement with no specific end date. Software Assurance is optional.
Select Plus for Government	Acquire Microsoft software licenses and services at any affiliate or department level, while realizing advantages as one organization. Select Plus offers the flexibility to acquire licenses as needed, a single agreement with no specific end date, and a single Lead Affiliate customer ID to streamline account management. Software Assurance is optional.

---

## Comparing Commercial Licensing programs for government

To review the different licensing agreement options available to government customers, please see [Microsoft licensing agreements comparison for government organizations](#).

### Taking the next step

- ▶ Commercial Licensing experts, including Microsoft representatives and partners or an authorized reseller, can provide guidance and insight about how to acquire or renew Microsoft volume licenses.
- ▶ [Microsoft License Advisor](#) can help small and midsize organizations prepare a licensing plan. This online tool provides Commercial Licensing program comparisons and guidance, simplifies Microsoft product selection through a series of questions, and produces a downloadable report and estimated retail price (ERP) or recommended retail price (RRP) quote. Microsoft License Advisor also enables an organization to share their quote securely with a Microsoft Reseller.

#### United States and Canada

- ▶ Federal agencies: <https://enterprise.microsoft.com/en-us/industries/government/federal/>
- ▶ National Security & Defense: <https://enterprise.microsoft.com/en-us/industries/government/national-security-and-defense/>
- ▶ State and local government customers: <https://enterprise.microsoft.com/en-us/industries/government/state-and-local/>

#### Worldwide

- ▶ Organizations outside of the United States should contact the local Microsoft office. Find contact information at [www.microsoft.com/worldwide](http://www.microsoft.com/worldwide).

### More resources

#### Use these resources to learn more about Microsoft Commercial Licensing for Government:

- ▶ Discover more about what Commercial Licensing can do for an organization at [www.microsoft.com/licensing](http://www.microsoft.com/licensing).
- ▶ Review the Product Terms a list of the products that are available under Microsoft Commercial Licensing at [www.microsoft.com/licensing/products/products.aspx](http://www.microsoft.com/licensing/products/products.aspx).
- ▶ View the government eligibility requirements at [www.microsoftvolumelicensing.com/DocumentSearch.aspx?Mode=3&DocumentTypeld=6](http://www.microsoftvolumelicensing.com/DocumentSearch.aspx?Mode=3&DocumentTypeld=6)

---

# Microsoft Commercial Licensing Guide

## Chapter 4: Choosing a Commercial Licensing program for a nonprofit organization

*These programs are for eligible nonprofit organizations that want to acquire five or more licenses.*

### Transactional licensing

With transactional Commercial Licensing agreements, an organization acquires perpetual software licenses (meaning the institution owns the licenses) while eliminating the costs and packaging of retail software.

Microsoft has one transactional Commercial Licensing agreement for nonprofit customers: Microsoft Open License for Nonprofits.<sup>3</sup>

### Open License for nonprofits

With the Microsoft Open License for Nonprofits agreement, eligible nonprofit organizations can acquire multiple software licenses—rather than multiple software packages—at reduced prices. An organization needs to purchase only one complete software package license and enough licenses to cover the remaining number of computers.

Open License for Nonprofits simplifies purchasing licenses, making it easier for an organization to get what they want when they need it. The agreement also gives an organization the flexibility to adjust their technology solutions to meet the organization's future needs. Office 365 is also an option for eligible nonprofit organizations. Learn more at <https://www.microsoft.com/en-us/philanthropies/product-donations/products/office365nonprofit>.

In geographies where a software donations program is also available, the Open License for Nonprofits agreement can supplement the donations program. Nonprofit organizations that are eligible for free software through the donations program can purchase software licenses at discounted prices through the Open License for Nonprofits agreement.

#### **This easy, user-friendly licensing program includes benefits such as the following:**

- ▶ **Simplicity.** The program is easy to understand and administer, with simple, clear terms for acquiring software licenses.
- ▶ **Flexibility.** The program is flexible enough to meet the needs of a broad range of organizations. An organization can choose from a wide selection of licensed products. After an initial order of five or more licenses, they can reorder as few as one license: they order only what they need.
- ▶ **Availability.** An organization can acquire Microsoft products through Open License for Nonprofits, where available, from any approved Commercial Licensing reseller.
- ▶ **Compliance.** With the Volume Licensing Service Center (VLSC), receive license confirmation information electronically and can quickly and easily view license purchase history—so an organization never has a question about which licenses they own.

### How to acquire nonprofit discounts

Eligible nonprofit organizations receive special pricing for Open License for Nonprofits. To buy product licenses at the reduced volume license prices, and to see if Open License for Nonprofits is available in a country or region, contact a Microsoft subsidiary or software reseller.

---

<sup>3</sup> Open License for Nonprofits is not available in all countries/regions. Contact a local Microsoft office regarding availability.

---

# Microsoft Commercial Licensing Guide

To acquire product licenses through Open License for Nonprofits, an organization must qualify as a charitable organization. A reseller can help an organization determine if Open License for Nonprofits is available in a country or region and if they qualify. Eligibility definitions are available at the Commercial Licensing website at [Product Terms](#).

## More resources

**Use these resources to learn more about Microsoft Commercial Licensing for nonprofits:**

- ▶ Learn more about Open License for Nonprofits at <https://www.microsoft.com/en-us/Licensing/licensing-programs/licensing-for-industries.aspx#tab=4>.
- ▶ Discover more about what Commercial Licensing can do for an organization at [www.microsoft.com/licensing](http://www.microsoft.com/licensing).
- ▶ Learn how to request a software donation for a nonprofit organization at [www.microsoft.com/en-us/philanthropies/product-donations/eligibility](http://www.microsoft.com/en-us/philanthropies/product-donations/eligibility).

## Chapter 5: Choosing a licensing agreement for a school or university

*These programs are for educational institutions such as schools, colleges, and universities that want to acquire five or more licenses.*

For educational institutions purchasing software licenses in quantity and managing software across multiple computers, Commercial Licensing programs are an effective way to reduce the total cost of software ownership.

Microsoft offers both transactional and subscription Commercial Licensing programs for education customers.

### Transactional licensing

With transactional Commercial Licensing programs, acquire perpetual software licenses (meaning the institution owns the licenses) while eliminating the costs and packaging of retail software.

Microsoft has two transactional Commercial Licensing programs for education customers: Microsoft Open License for Academic, and Microsoft Select Plus for Academic, and Microsoft Products and Services Agreement for Academic.

### Open License for Academic

Open License for Academic is a widely accessible and cost-effective way for education institutions of all sizes to easily license Microsoft software, starting with as few as five licenses.

An organization simply determines the number of software licenses an institution wants to acquire and place the order with an Authorized Education Reseller. After obtaining licenses, an organization can order media from a Microsoft-approved fulfillment source, eliminating bulky boxes and the associated expenses. License confirmations are distributed electronically and posted on a secure site on the Internet.

**This easy, user-friendly licensing program includes benefits such as the following:**

- ▶ **Flexibility.** Get exactly what an institution needs—as many or as few licenses as they want. This program also gives a wide choice of some of the best Microsoft software products. In addition, an organization can begin with an order of only five licenses; then, they can order as few as one license at a time at their convenience.
- ▶ **Availability.** With Open License for Academic, getting preferred Microsoft software is as easy as finding an Authorized Education Reseller.

---

# Microsoft Commercial Licensing Guide

- ▶ **Compliance.** Quickly and easily view license purchase history by using the Volume Licensing Service Center. Open License for Academic provides simple tools, so an organization always know exactly what licenses they currently own.

Select License for Academic also offers the Student Select program, which gives the option of purchasing licenses and media for limited products and transferring them to students. These orders are placed by using a special Student Select Enrollment under the Academic Select License agreement.

## Select Plus for Academic

Select Plus for Academic is for midsize and large education customers or aggregate groups (such as educational consortia) that want to purchase their software licenses and services at the affiliate level—such as site or department—yet have the same advantages that come from purchasing as a single institution.

**Helping institutions get the most value from their software investments, Select Plus for Academic benefits include the following:**

- ▶ **Accessible, flexible purchasing.** Select Plus for Academic uses a single, institution-wide agreement that supports both centralized and decentralized purchasing of licensed products on an as-needed basis. Like the Campus and School Agreement, the Select Plus for Academic Agreement has no specific end date and simplifies budgeting for short- and long-term IT needs.
- ▶ **Better manageability.** With Select Plus for Academic, an organization has fewer agreements to track and manage. Because all affiliate purchases are tied to their own unique customer IDs, an organization has a clear view of their entire license and software asset portfolio—either in a comprehensive report containing all affiliates or an individual report that gives the ability to drill down into a specific affiliate.
- ▶ **Better returns with Software Assurance.** Select Plus for Academic helps maximize return on investment because Software Assurance is automatically prorated to an organization's third affiliate account anniversary, eliminating the need to track multiple Software Assurance coverage expiration dates.

## Subscription licensing

Microsoft has two subscription licensing offerings for education customers: The Enrollment for Education Solutions, Open Value Subscription for Education Solutions. Both offer a subset of products—including specific application, system, and Client Access License products designated by Microsoft as desktop platform products—that are licensed on an organization-wide basis. An organization can add additional products as needed.

To get started with a subscription, place an order for desktop platform products in a quantity that is equal to the organization-wide count of full-time equivalent (FTE) employees or students. For products licensed organization-wide, even if the number of devices or users increases, an organization remains fully licensed throughout the designated term, and they only need to report an increase in the number of their FTE employees or students on their annual order.

All products licensed through either subscription offering include Software Assurance, a comprehensive set of benefits that help maximize software and services investments.

The **Enrollment for Education Solutions (EES)** is available to both primary/secondary and higher education institutions. EES offers the simplicity of counting people and the flexibility to order additional products in any quantity as needed.

The **Open Value Subscription for Education Solutions** is for primary/secondary schools and preschools. This enrollment offers the simplicity of licensing all products organization-wide with an annual count of their employees and students.

---

# Microsoft Commercial Licensing Guide

## Subscription licensing offers many benefits, including the following:

- ▶ **Easy compliance.** Because all the employees or students are covered throughout the subscription term based on an annual count of FTE employees or students, it is easy to ensure that the institution is fully licensed for the products selected organization-wide.
- ▶ **Cloud on Your Terms:** Free<sup>4</sup> access to Office 365 Education, plus the ability to subscribe to additional Microsoft Online Services through EES or OVS-ES gives an organization the flexibility to move users back and forth between on-premises software and cloud services, match and adjust online service plans to meet their users' needs, and add and adjust online services as needed so the organization can transition to the cloud on at their pace.
- ▶ **Low administration.** Subscription licensing eliminates the need to track licenses for the selected products on every device, which can be especially helpful for managing software assets in a decentralized environment.
- ▶ **Simple budgeting and purchasing.** One annual payment covers all the products selected for the year.
- ▶ **Current technology.** With subscription licensing, an organization's licensed users can run the most current version of the software products that are included in the subscription.
- ▶ **Value.** By standardizing on a platform of products, an organization reduces their total cost of software ownership while helping increase productivity and access to current technology. In addition, Software Assurance is included with an organization's subscription licenses. This provides additional support resources, tools, and training.

## Student licensing

With the following options, it is easy to provide students with the products that they need. When an organization licenses certain products for all their full-time employees organization-wide, they are eligible for corresponding subscription licenses for students within the same defined organization at no additional charge.

Buy org-wide faculty/staff licenses for:	Get no-cost student licenses for:
Windows 10 Education Upgrade	Windows 10 Education Upgrade
Microsoft Office Professional Plus, Office 365 ProPlus, or Office 365 Education E5	Office 365 ProPlus
Microsoft Intune or Microsoft Enterprise Mobility Suite	Microsoft Intune
Education Desktop	Office 365 ProPlus Windows 10 Education Upgrade

---

<sup>4</sup>No license fee; doesn't include deployment or support costs associated with the service.

---

# Microsoft Commercial Licensing Guide

## How to acquire academic discounts

Depending on the size of an organization, they can acquire subscription licenses through:

- ▶ **OVS-ES:** A Microsoft Authorized Education Partner (AEP) for organizations with five or more FTE employees or students
- ▶ **CASA+EES:** A Microsoft Licensing Solution Provider (LSP) for organizations with 1,000 or more FTE employees or students and organizations ordering at least one Platform Online Service for 1,000 or more users
- ▶ These resellers are authorized to sell Microsoft academic edition products and volume licenses to qualified education users. To participate in EES or any of our other academic Volume Licensing agreements, or to obtain current pricing, please contact an AEP or LSP.

To find an Authorized Education Partner in the United States or Canada, use the Authorized Education Reseller Finder tool at the Microsoft Education website at [www.microsoft.com/education/en-us/buy/licensing/Pages/resellers.aspx](http://www.microsoft.com/education/en-us/buy/licensing/Pages/resellers.aspx).

For educational institutions located outside of North America, contact a local Microsoft office or visit a regional Microsoft Licensing website. Visit the Microsoft Worldwide website at [www.microsoft.com/worldwide](http://www.microsoft.com/worldwide) to locate a regional website.

## Work at Home

Educational institutions that have acquired licenses through Microsoft academic Commercial Licensing programs can grant to their faculty and staff the right to use a second copy of a limited selection of products on either a home or portable device.

### Open License for Academic and Select Plus for Academic Work at Home licenses

For each copy of Microsoft Office that an organization's license, the primary user of the computer on or from which the product is run can also run a second copy from either a laptop or desktop computer that he or she owns or leases. The user can use the software only while the agreement is active.

### Enrollment for Education Solutions and Open Value Subscription for Education Solutions Work at Home licenses

Work at Home licenses for EES and School Enrollment customers are available for all application, system, and CAL products at no extra cost. These limited rights permit using licensed products on a personally owned computer for work-related purposes only. An organization can extend these rights to their faculty and staff members only for licensed products for which an organization has institutional licenses through their enrollment.

## Microsoft Imagine

With Enrollment for Education Solutions, an institution is eligible to receive an organization-wide, free online subscription to Microsoft Imagine. Microsoft Imagine connects students with the tools, resources, and experiences they need to elevate their skills for today's working world. Whether it's building a game, designing an app, or launching a project, Microsoft Imagine helps students develop their ideas and boldly bring them to life. Microsoft Imagine helps equip labs with the latest Microsoft developer tools and online learning to support personal or in-class learning for students and educators. With a membership, students get the professional-level developer and designer tools they would use to build real sites, apps, games, and more with Microsoft Virtual Academy. Imagine enables students to get a head start on a career or do better in class.

This complimentary membership is not provided through the Open License for Academic or Select Plus for Academic programs. To enroll in Microsoft Imagine, visit [imagine.microsoft.com/home](http://imagine.microsoft.com/home).

---

# Microsoft Commercial Licensing Guide

## Student licensing

All the Microsoft academic licensing programs (except Open License for Academic) offer a way to pass savings on to students.

Select Plus for Academic offers Student Select Plus, through which an organization can purchase licenses and media for a limited selection of products and transfer them to students. These orders are placed by using an affiliate enrollment under the Select Plus for Academic Agreement.

The Enrollment for Education Solutions and Open Value Subscription for Education Solutions programs offer a Student Option. With this option, students are licensed to use selected products on a personally owned computer or an institution-owned computer designated for the student's exclusive use.

## Taking the next step

- ▶ Licensing experts, including Microsoft representatives and partners or an authorized reseller, can provide guidance and insight about how to acquire or renew Microsoft volume licenses.
- ▶ Visit [www.microsoft.com/licensing/licensing-options/for-industries.aspx](http://www.microsoft.com/licensing/licensing-options/for-industries.aspx) to learn more about the options.
- ▶ [Microsoft License Advisor](#) can help prepare an organization's licensing plan. This online tool provides licensing program comparisons and guidance, simplifies Microsoft product selection through a series of questions, and produces a downloadable report and estimated retail price or recommended retail price quote. Microsoft License Advisor also enables an organization to share their quote securely with a Microsoft Reseller.

### United States and Canada

- ▶ Find an Authorized Education Partner or Licensing Solution Provider online at [www.microsoft.com/education/en-us/buy/licensing/Pages/resellers.aspx](http://www.microsoft.com/education/en-us/buy/licensing/Pages/resellers.aspx).
- ▶ Call toll-free at (800) 426-9400 in the United States or (877) 568-2495 in Canada.

### Worldwide

- ▶ For educational institutions outside of North America, contact a local Microsoft office at [www.microsoft.com/worldwide](http://www.microsoft.com/worldwide) or visit a regional Microsoft Licensing website at [www.microsoft.com/licensing/worldwide.aspx](http://www.microsoft.com/licensing/worldwide.aspx).

## Chapter 6: Microsoft Commercial Licensing programs for software and service partners

Microsoft offers special licensing agreements for partners, Independent Software Vendors (ISVs), and service providers that want to integrate Microsoft software into their own solutions and/or services.

The Cloud Solution Provider (CSP) agreement delivers a platform for partners to own the end-to-end customer engagement by enabling them to directly provision, bill, and support Microsoft cloud services for their customers. The Independent Software Vendor Royalty Licensing and Distribution Program is for ISVs that are interested in integrating Microsoft software products into their solutions. Similarly, the Services Provider License Agreement (SPLA) is for service providers that want to license Microsoft products so they can provide software services to their customers.

---

# Microsoft Commercial Licensing Guide

## Cloud Solution Provider

CSP puts partners at the center of the customer relationship where they can deliver differentiated value to customers. With CSP, partners own pricing, billing, contracting, provisioning, and manage, and support their customers' end-to-end with services and solutions. It's available to all commercial, government, and academic customers.

- ▶ **Order, provision, billing, and support is covered:** an organization's partner is their single point of contact for sales, provisioning, payment, and support. Focus on using the service instead of managing licenses.
  - **Components covered by an organization's partner can include:**
    - deployment.
    - management.
    - Support (always).
- ▶ **Get additional value-added services:** get a best-in-class solution and all the added benefits and services that an organization's partner will offer.
  - **The partner can:**
    - provide tips and best practices.
    - identify additional service needs.
    - help improve an organization.

## CSP program details requirements

Only partners can enroll in the CSP program.

## Independent Software Vendor Royalty Licensing Program

The ISV Royalty Licensing Program is a worldwide software licensing program, which gives ISVs a convenient way to license Microsoft products and integrate them into a Unified Solution, which can then be replicated and distributed fully licensed.

The ISV Royalty Licensing Program provides access to a wide range of Microsoft products. Get the most recent ISV Royalty Product List (updated quarterly) from an organization's authorized [ISV Royalty Licensing Program distributor](#) to see the wide selection of Microsoft products available for the ISV Royalty Licensing Program (does not include desktop PC operating systems, server operating systems, or online services).

## Program enrollment requirements

**To enroll in the ISV Royalty Licensing Program, an organization must meet eligibility requirements by doing the following:**

- ▶ **Develop a Unified Solution.** The value-added Unified Solution uses Microsoft products, adds significant and primary functionality, and is distributed through a tangible medium.
- ▶ **Designate a licensed products distributor.** Work with an authorized [ISV Royalty Licensing Program distributor](#) to complete the ISV Royalty License and Distribution Agreement.
- ▶ **Provide technical support.** An organization is responsible for providing technical product support to their users for the Microsoft products included in the Unified Solution.
- ▶ **Comply with the Microsoft license terms.** Incorporate any applicable Microsoft license terms into the user agreement for the Unified Solution.

**Sign agreements.** Complete the ISV Royalty License and Distribution Agreement, the Microsoft Business and Services Agreement, and signature form. To obtain these documents, contact a distributor (listed at [www.microsoft.com/en-us/Licensing/licensing-programs/isvr-distributors.aspx](http://www.microsoft.com/en-us/Licensing/licensing-programs/isvr-distributors.aspx)).

Learn more about the ISV Royalty Licensing Program at the Microsoft Commercial Licensing website at [www.microsoft.com/licensing/licensing-options/isv-program.aspx](http://www.microsoft.com/licensing/licensing-options/isv-program.aspx).

---

# Microsoft Commercial Licensing Guide

## Services Provider License Agreement

With the SPLA, a services provider organization can license Microsoft products on a monthly subscription basis for a three-year agreement term. The organization can then use these products to provide software services and hosted applications to its customers.

**The SPLA may be right for an organization if they have one of the following business scenarios:**

- ▶ An organization provides their customers with direct or indirect access to Microsoft licensed products, such as hosted websites or LOB applications through Microsoft server products.
- ▶ An organization offers their customers software services that interact with Microsoft licensed products. In this scenario, the organization, not the customer, are the licensee.
- ▶ An organization facilitates their customer's business, including business transactions with third parties, through software services that interact with Microsoft products.
- ▶ An organization provides their customers with access to, and use of, any application, Microsoft or otherwise, and the application is running on a server and interacts with a Microsoft product on that server.

### Tip...

The Services Provider License Agreement is the only program that gives an organization the right to license Microsoft products for commercial

## Software services

For service providers, software services are online services that they provide to their customers to make licensed products available to them. These software services display, run, access, or otherwise interact with Microsoft licensed products. Service Providers provide software services from one or more data centers through the Internet, a telephony network, or a private network on a rental, subscription, or services basis. The SPLA makes offering software services easier because the service provider is the licensee, not the customer.

## Program benefits

**The SPLA offers the following benefits:**

- ▶ **Deliver a customized service.** Get the flexibility to deliver tailored IT services to customers through a dedicated or shared hosting environment. Increase the value of services by managing software use rights for customers.
- ▶ **Pay as you go with no up-front costs.** Pay only for the products that are made available to customers the previous month. There are no start-up costs, monthly sales requirements, or long-term commitments.
- ▶ **Access the most current product versions.** Give customers the most current and capable Microsoft platform. Download products at no charge through the Volume Licensing Service Center instead of ordering physical media.
- ▶ **Try before you buy.** Test and evaluate products internally before offering them to customers as a service.
- ▶ **Receive prior version rights.** Rights to prior product versions enable an organization to support a seamless transition for developers and ISVs to move to the SPLA and have a hosted business model.
- ▶ **Outsource data center services.** Install Microsoft products on servers under the day-to-day management and control of an outsourcing company. That company can then perform data center administration, testing, and maintenance support services on an organization's behalf.
- ▶ **Install at customer facilities.** Install Microsoft products on devices an organization owns or leases and that are located on their customer's premises.
- ▶ **Offer demonstrations and evaluations.** An organization can have up to 50 active user IDs for service/product demos and give their customers a free 60-day trial period.

---

# Microsoft Commercial Licensing Guide

- ▶ **Include affiliates.** Include affiliates under a single agreement.
- ▶ **Expand reach to academic institutions.** An organization's business can expand with specific price offerings available to their academic customers through the SPLA.

## Program requirements

The following are the primary requirements to participate in the SPLA. For complete program requirements, see the SPLA Program Guide on the Microsoft Commercial Licensing website at [www.microsoft.com/licensing/licensing-options/spla-program.aspx](http://www.microsoft.com/licensing/licensing-options/spla-program.aspx).

- ▶ **Enroll in the Microsoft Partner Network.** An organization must be a member of the Microsoft Partner Network. If they are not a member, learn how to enroll at <https://mspartner.microsoft.com>.
- ▶ **Sign a Microsoft Business and Services Agreement (MBSA).**
  - Service providers that have an existing MBSA through another Commercial Licensing agreement (Enterprise Agreement, Enterprise Subscription Agreement, Select Plus,\* or ISV Royalty Licensing) should work with their Microsoft account manager and/or reseller to provide their MBSA number and link the MBSA to their SPLA.
  - Service providers that do not have an existing MBSA are required to sign one when they sign an SPLA.  
\*Effective July 1, 2016, in markets where the MPSA is available, Microsoft will stop accepting new orders and Software Assurance renewals through existing commercial Select Plus agreements at the next agreement anniversary date. This retirement does not apply to government and academic Select Plus agreements. More information is at [www.microsoft.com/selectfaq](http://www.microsoft.com/selectfaq).
- ▶ **Designate a licensed products reseller.** Work with an authorized SPLA reseller to complete the SPLA and MBSA.
- ▶ **Provide monthly reporting on software licenses.** Submit either a monthly use report of at least U.S. \$100 per month or a zero-use report (non-consecutive) to an organization's SPLA reseller. The organization must also report on all licenses that an organization made available to their customers for their affiliates and software services resellers.
- ▶ **Submit a monthly invoice payment.** The SPLA reseller invoices an organization monthly based on the number of licenses reported in their monthly use report. The organization is responsible for submitting their payment to the SPLA reseller by the agreed date.
- ▶ **Comply with the Services Provider Use Rights (SPUR).** The SPUR is roughly the equivalent of the Product Terms for products licensed under the SPLA. The SPUR specifies use rights and conditions that apply to a customer's use of the licensed products. Microsoft may revise the SPUR at any time. The SPUR is updated quarterly and is available for download at:  
[www.microsoftvolumelicensing.com/DocumentSearch.aspx?Mode=3&DocumentTypeld=2](http://www.microsoftvolumelicensing.com/DocumentSearch.aspx?Mode=3&DocumentTypeld=2).

## Resources

- ▶ Learn about becoming an SPLA reseller:  
[www.microsoft.com/en-us/CloudandHosting/Licensing\\_SPLA\\_Reseller\\_resources.aspx](http://www.microsoft.com/en-us/CloudandHosting/Licensing_SPLA_Reseller_resources.aspx).
- ▶ Learn more about SPLA: [www.microsoft.com/licensing/licensing-options/spla-program.aspx](http://www.microsoft.com/licensing/licensing-options/spla-program.aspx).

---

# Microsoft Commercial Licensing Guide

## Chapter 7: Using products licensed through a Microsoft Commercial Licensing program

Software products licensed through a Microsoft Commercial Licensing program are subject to the Product Terms (or its predecessor, the Product Use Rights), which govern the use of the software.

Microsoft does not sell its products to customers. Instead, customers purchase the right to use the product in a specific manner. This is called a product license. All product licenses come with agreements that define and govern how to use the software.

When a product license is purchased through a Microsoft Commercial Licensing program, its use is governed by the Product Terms and the Microsoft Commercial Licensing program agreement.

The Product Terms document contains both information on product availability by Commercial Licensing program (information previously published in the Product List) and the product-specific terms and conditions that govern how Microsoft products can be used in the Commercial Licensing programs. The use-rights content included in the Product Terms is roughly the equivalent of the Software License Terms that an organization receives when acquiring a retail product. Much of the wording is common to both the Software License Terms and the use rights content of the Product Terms. This document is updated monthly. The customers' Commercial Licensing program agreement identifies which Product Terms apply to the use of a given Product. For MPSA and Open License customers, generally the Product Terms in effect when a license is acquired govern use of software under that license. For Enterprise Agreement customers, the Product Terms (or Product Use Rights) that is in effect as of the beginning of the licensed period applies to the use of then current product versions throughout the licensed period. If a new version is released, use of the new version is governed by the most current Product Terms.

### Product licensing models

Different products use different licensing models. A desktop application program, such as Microsoft Office, is licensed differently than a server product, such as Windows Server. The nine Microsoft licensing model categories are described below.

#### **Desktop applications—per-device license**

An organization must acquire a license for each device that is using the software (locally or remotely over a network). They can install any number of copies and any prior version on the device or on a network device to support that use. They can also install those copies on the host operating system or in a virtual hardware system.

# Microsoft Commercial Licensing Guide

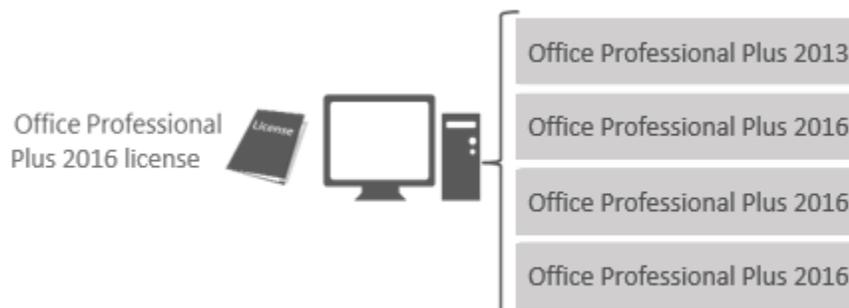


Figure 1: An organization can install more than one copy on the licensed device. The organization can access copies of the software installed on a network device only from a device that has a license for the software.



Figure 2: The device an organization uses to access software remotely must be licensed for the same or higher edition, but not an earlier version.

## Desktop operating systems—per copy, per device license

An organization must acquire a license for each device on or from which they access or use the software (locally and remotely). They can install only one copy on the device. They can install that copy on the host operating system or in a virtual (or otherwise emulated) hardware system. In Commercial Licensing, the desktop PC operating system license is an upgrade license. An organization can acquire upgrade licenses only for devices for which they have already licensed a qualifying operating system. A list of qualifying operating systems that qualify for an upgrade license is provided in the Product Terms, which can be found at [www.microsoft.com/licensing/products/products.aspx](http://www.microsoft.com/licensing/products/products.aspx).

If an organization acquires Windows Software Assurance for a device, they can run up to four additional instances in virtual operating systems on the licensed device. If they acquire Windows Software Assurance per User or Windows Virtual Desktop Access per User, the licensed user can install Windows Enterprise locally on any device licensed for Windows 7 Pro or Enterprise, Windows 8 Pro or Enterprise, Windows 8.1 Pro or Enterprise, or Windows 10 Pro or Enterprise and access Windows images remotely or from a USB drive by using any supported device.

# Microsoft Commercial Licensing Guide

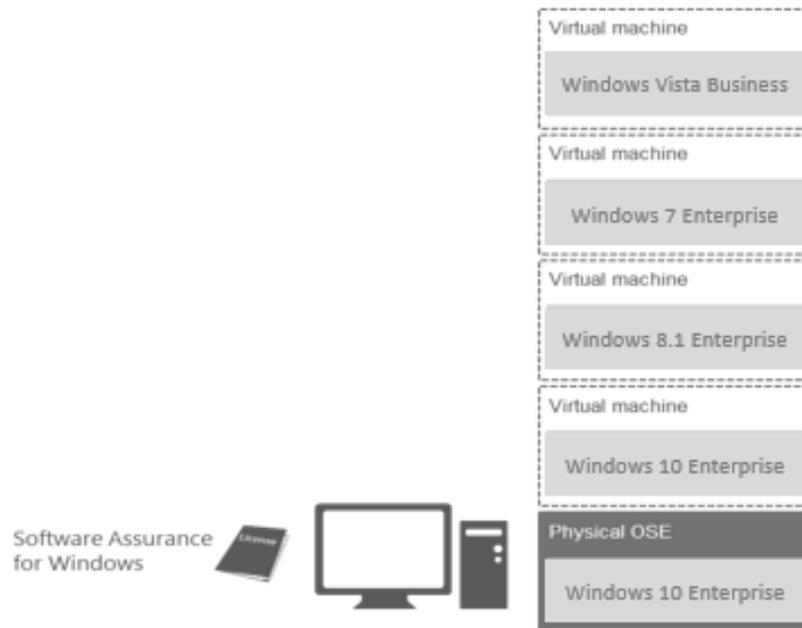


Figure 3: A device with active Software Assurance may have Windows 10 Enterprise running in the physical operating system environment and a mix of Windows editions and versions running in four virtual operating system environments all on the same physical device.

## Developer tools—per user license

An organization must acquire a license for each user they permit to access or use the software. An organization can install any number of copies on any number of devices for access and use by one user to design, develop, test, and demonstrate programs. Only licensed users can access the software.

## Online services—user or device subscription license, services subscription license, or add-on subscription license

For organizations with more than five users, Microsoft offers a new way to quickly subscribe to and use Microsoft Online Services, and organizations with as few as five users can subscribe to and use Microsoft Online Services. Because Online Services are subscription-based, an organization pays per user per month or per user per year. With the new Microsoft Online Subscription Program, an organization can quickly subscribe online, rapidly deploy services, and manage their licenses by using an online management tool.

### Microsoft offers several online services and solutions that can help deliver an organization’s digital transformation:

**Secure Productive Enterprise.** Secure Productive Enterprise is the most trusted, secure, and productive way to work that brings together Office 365, Enterprise Mobility + Security, and Windows 10 Enterprise.

**Enterprise Mobility + Security.** Microsoft Enterprise Mobility + Security (EMS) provides an identity-driven security solution that offers a comprehensive approach to the security challenges in this mobile-first, cloud-first era.

---

# Microsoft Commercial Licensing Guide

**Office 365.** Office 365 is Microsoft's productivity solution in the cloud. It is sold as suites that are available for every organization, irrespective of their size.

**Dynamics 365.** Microsoft Dynamics 365 is the next generation of intelligent business applications that enable organizations to grow, evolve, and transform.

**Licensing under the online services model includes one or more of the following:**

- ▶ **User Subscription License or Device Subscription License (User SL or Device SL).** For offerings that require these, User SLs and Device SLs are needed for each user or device that accesses the online service.
- ▶ **Services Subscription License (SSL).** For offerings that require these, this license applies to the entire organization's use of the online service. User, Device, or Add-on SLs may also be required, depending on the service offering.
- ▶ **Add-on Subscription License (Add-on SL).** This license sometimes is used instead of or in addition to USLs, DSLs, and SSLs. Its purpose varies. For example, it can apply to a specified number of consumed units, such as gigabytes of storage, or it can apply to a single server accessed by external users. Add-on subscription licenses are not always required.

If an organization has Enterprise Agreements or Campus and School Agreements, Microsoft recommends they purchase online services through their existing Commercial Licensing agreement to obtain optimized price advantages for volume purchases.

If an organization purchases through Microsoft Open License, Open Value, Select License, and Select Plus,\* Microsoft recommends they evaluate and determine how subscribing to Microsoft Online Services can support their IT strategy. For more information, log in to the Microsoft Online Services site at [www.microsoftonline.com](http://www.microsoftonline.com).

*\*Effective July 1, 2016, in markets where the MPSA is available, Microsoft will stop accepting new orders and Software Assurance renewals through existing commercial Select Plus agreements at their next agreement anniversary date. This retirement does not apply to government and academic Select Plus agreements. More information is at [www.microsoft.com/selectfaq](http://www.microsoft.com/selectfaq).*

## **Servers—operating systems—processor license + CAL + optional external connector**

With most products, an organization must acquire a license for each running instance of the server software that they run on a server. An organization can run that instance in a physical or virtual operating system environment (OSE). By exception to the licensing model, some products provide broader use rights. For example, a Windows Server 2012 R2 Standard edition license permits up to two OSEs at a time on the licensed server. With some products, such as Windows Server 2012 R2 Datacenter edition, an organization can run any number of instances at the same time. Note that the processor-based server licensing model has been retired and server licensing has transitioned to a core-based model with the launch of Windows Server 2016. Legacy customers who still have rights to use earlier versions of Windows Server under the processor-based licensing model can find more information by downloading the [Windows Server 2012 R2 Licensing Guide](#).

# Microsoft Commercial Licensing Guide

Operating system	Permitted instances on a single server (physical OSE + virtual OSEs)
Windows Server 2012 R2 Standard	1* + 2
Windows Server 2012 R2 Datacenter	1+ Unlimited

\*If running the maximum allowed instances, the instance in the physical OSE can only be used to run hardware virtualization software, provide hardware virtualization services, or run software to manage and service OSEs on the licensed server.

Figure 4: The number of permitted instances for each operating system license.

Except as outlined in the Product Terms, all server operating system products require a CAL for each user or device that accesses the server software.

### Device CALs and User CALs are two types of CALs:

- ▶ A **Device CAL** licenses a device for use by any user to access instances of the server software
- ▶ A **User CAL** licenses one user to use any device to access instances of the server software.

CALs are version-specific. They must be the same version or later than the server software being accessed. CALs permit access to servers licensed by the same entity. They do not permit access to another entity's licensed servers.

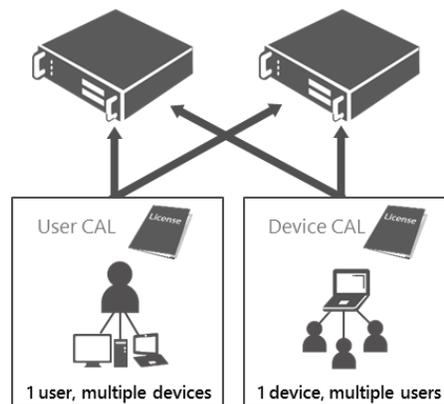
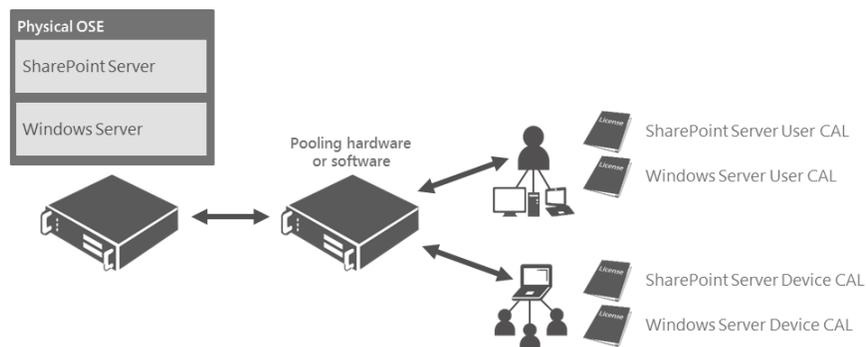


Figure 5: CAL assignment based on user or device.

An organization can deploy network architectures that use hardware or software to reduce the number of devices or users that **directly** access the software on a server. This is referred to as multiplexing or pooling. This does not reduce the number of CALs required to access or use the server software. A CAL is required for each device or user that is connected to the multiplexing or pooling software or hardware front end.

# Microsoft Commercial Licensing Guide



*Figure 6: Multiplexing: Users and devices can indirectly access the Windows or SharePoint Server software as shown in the diagram. Indirectly accessing the server software does not negate the requirement for a CAL. In the example, each user and/or device on the right is required to have a Windows Server CAL and a SharePoint Server CAL.*

An External Connector (EC) license is an alternative to CALs for each server that external users access. External users are users who are not employees or on-site contractors. An EC license assigned to a server permits access by any number of external users only if that access is for the benefit of the licensee and not the external user. Each physical server that external users access requires only one EC license regardless of the number of instances running. The right to run instances of the server software is licensed separately; the EC, like the CAL, simply permits access. EC licenses, like CALs, are version-specific and functionality-specific. They must be the same version or later than the server software being accessed. The decision whether to acquire CALs or an EC is primarily a financial one.

## **Servers—management servers—management license (server or client)**

Under the Management Servers licensing model, an organization must acquire and assign the appropriate Management License (ML) for the device or OSE that will be managed. Included with the ML are the rights to the corresponding Management Server Software. Separate Management Server software licenses are not required.

Two categories of MLs are available: server and client. The category of ML required depends on the operating system software running within an OSE. OSEs running server operating system software require server MLs. OSEs running any other operating system software require client MLs.

### **Licenses required for managed servers**

Server management licensing for System Center 2016 Datacenter edition and System Center 2016 Standard edition has transitioned from being processor-based to being core-based. For both Standard and Datacenter editions, the number of core licenses required equals the number of physical cores on the licensed server, subject to a minimum of eight core licenses per physical processor and a minimum of 16 core licenses per server. Core licenses are sold in two-packs. Server Management Licenses are required for managed devices that run server Operating System Environments (OSEs). The core licensing model for System Center 2016 aligns with that of Windows Server 2016. For additional information on the core licensing model, please visit the Windows Server Core Licensing section of this guide. And for complete details and information on licensing, refer to the [Product Terms](#).

Legacy customers who still have rights to use earlier versions of System Center under the processor-based licensing model can find more information by downloading the [System Center 2012 R2 Licensing Guide](#).

# Microsoft Commercial Licensing Guide

	Datacenter	Standard
Licensing Model	Management Servers <sup>1</sup>	Management Servers <sup>1</sup>
License Type	Core License	Core License
OSEs/Hyper-V containers	Unlimited	Two <sup>2</sup>
Windows Server containers	Unlimited	Unlimited

<sup>1</sup> All physical cores on the server must be licensed, subject to a minimum of eight core licenses per physical processor and a minimum of 16 core licenses per server.

<sup>2</sup> System Center Standard edition permits management of the physical OSE on the licensed server (in addition to two virtual OSEs), if the physical OSE is used solely to host and manage virtual OSEs.

## Virtualization Rights

- ▶ **Datacenter edition** – When all physical cores on the server are licensed, System Center Datacenter edition provides rights to manage unlimited Operating System Environments (OSEs) or Hyper-V containers and unlimited System Center containers on the licensed server.
- ▶ **Standard edition** – When all physical cores on the server are licensed, System Center Standard edition provides rights to manage two Operating System Environments (OSEs) or Hyper-V containers and unlimited System Center containers on the licensed server.
  - For example, a two-processor server with eight cores per processor requires 16 core licenses (i.e. eight two-pack core licenses) and gives rights to manage two OSEs or two Hyper-V containers. For each additional two OSEs or two Hyper-V containers the customer wishes to manage, an equivalent number of core licenses must be assigned to the server.
  - Standard edition permits management of the physical OSE on the licensed server (in addition to two virtual OSEs), if the physical OSE is used solely to host and manage virtual OSEs.

## Managed Client Licensing Overview

Management of devices that run non-server OSEs with System Center 2016 Standard and Datacenter editions requires Client Management Licenses (Client MLs) and Subscription Licenses (SL). There are two types of Client MLs: OSE and User. There are two types of SLs: User and Device.

Each User ML permits the management of any device that runs non-server OSEs, used by one user. Each OSE ML permits the management of one device that runs non-server OSEs, used by any user. Each User SL covers any device, used by one user. Each Device SL covers one device, used by any user.

- ▶ **OSE client MLs:** Each OSE client ML permits an organization to use the Management Server Software to manage one OSE. Any number of users can use that OSE. Provided an organization acquires and assigns OSE client MLs to their device as described here, they can manage the OSEs on that device (one OSE per license).

# Microsoft Commercial Licensing Guide



Figure 7: One OSE client ML permits managing an OSE used by any number of users.

- ▶ **User client MLs:** Each user client ML permits an organization to use the Management Server Software to manage one user's OSE. Users can use those OSEs on any number of devices. Provided an organization acquires and assigns a user client ML to their user as described here, an organization can manage all of the OSEs used by that user. If an organization has more than one user using an OSE, and they are not licensed by an OSE, the organization must assign a user client ML to each of the users.



Figure 8: One user client ML permits managing any number of OSEs used by the licensed user.

## Structure and Application of Client Management Licenses (MLs) and Subscription Licenses (SLs)

Product	Class	Type
System Center Operations Manager*	Client Management License (ML)	Per User or Per OSE
System Center Configuration Manager	Client Management License (ML)	Per User or Per OSE
System Center Endpoint Protection	Subscription License (SL)	Per User or Per Device

\*Formerly a component of the Client Management Suite.

For complete details on managed client licensing, refer to the [Product Terms](#).

## Servers—server/CAL—server license PLUS CAL

With most server/CAL products, an organization must acquire a license for each instance of the server software that they run on a server. An organization can run that instance in a physical or virtual OSE. By exception to the licensing model, some products provide broader use rights.

Except as outlined in the Product Terms, all server/CAL products require a CAL for each user or device that accesses any instance of the server software.

# Microsoft Commercial Licensing Guide

## Two types of CALs are Device CALs and User CALs:

- ▶ **Device CAL.** This licenses a device for use by any user to access instances of the server software on licensed servers.
- ▶ **User CAL.** Licenses one user to use any device to access instances of the server software on licensed servers. CALs are version- and functionality-specific. They must be the same version or later than the server software being accessed.

**Note:** Access by the class of users defined as "External Users" varies by Server/CAL product. In some cases, they are licensed with the server. In some cases, they are licensed by either User or Device CAL, like with SQL Server. Customers should refer to the Product Terms for details of how External Users are licensed for a particular product.

An organization can deploy network architectures that use hardware or software to reduce the number of devices or users that directly access the software on a server. This is referred to as multiplexing or pooling. This does not reduce the number of CALs required to access or use the server software. A CAL is required for each device or user that is connected to the multiplexing or pooling software or hardware front end.

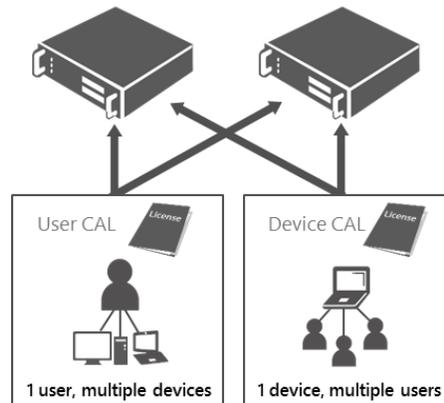


Figure 9: CAL assignment based on user or device.

## Servers—per core—core license

### SQL Server

Under the Per Core licensing model, each server running SQL Server 2016 software or any of its components (such as Reporting Services or Integration Services) must be assigned an appropriate number of SQL Server 2016 core licenses. The number of core licenses needed depends on whether customers are licensing the physical server or individual virtual operating system environments (OSEs).

Unlike the Server+CAL licensing model, the Per Core model allows access for an unlimited number of users or devices to connect from either inside or outside an organization's firewall. With the Per Core model, customers do not need to purchase additional client access licenses (CALs) to access the SQL Server software.

### The Per Core licensing model is appropriate when:

- ▶ Deploying the SQL Server 2016 Enterprise Edition (including using the SQL Server Parallel Data Warehouse deployment option) or SQL Server 2016 Web Edition software.
- ▶ Deploying Internet or extranet workloads, systems that integrate with external-facing workloads (even if external data goes through one or more other systems), or when the number of users/devices cannot be counted easily.

---

# Microsoft Commercial Licensing Guide

- ▶ Implementing centralized deployments that span many direct and/or indirect users/devices.
- ▶ The total licensing costs for licensing SQL Server 2016 Standard Edition software are lower than those incurred using the Server+CAL licensing model.

**Note:** The use of hyper-threading technology does not affect the number of core licenses required when running SQL Server software in a physical OSE.

An organization must have the appropriate number of core licenses for the server.

**They have two licensing options:**

- ▶ Physical cores on a server
- ▶ Individual virtual operating system environment

**Licensing by physical cores on a server**

When running SQL Server in a physical OSE, all physical cores on the server must be licensed. Software partitioning does not reduce the number of core licenses required, except when licensing individual virtual machines (VMs). A minimum of four core licenses are required for each physical processor on the server.

To determine and acquire the correct number of core licenses needed, customers must:

1	Count the total number of physical cores in the server.
2	Purchase the appropriate number of core licenses required for the server. Core licenses are sold in packs of two, so customers must divide the number of licenses required by two to determine the actual number of line items (licensing SKUs) to order.

The SQL Server Core Factor Table is no longer used to calculate the required number of core licenses needed for SQL Server 2016 and later versions. For earlier versions of SQL Server, the number of licenses required equals the number of physical cores on the server multiplied by the applicable core factor located in the [SQL Server Core Factor Table](#) (PDF, 304 KB). With the Enterprise Edition, for each server to which an organization has assigned the required number of licenses, they can run on the licensed server any number of instances of the server software in several physical and/or virtual OSEs equal to the number of licenses assigned to that server. Thereafter, for each additional license that an organization assigns to the licensed server, they can run instances of the server software in an additional OSE on that licensed server.

With the Standard Edition, for each server to which an organization has assigned the required number of licenses, they can run on the licensed server any number of instances of the server software in the physical OSE.

# Microsoft Commercial Licensing Guide

Physical cores per processor	 1	 2	 4	 6	 8
Core licenses Required – SQL Server 2016	4	4	4	6	8

Figure 10: Per core—physical cores on a server. The number of licenses required equals the number of physical cores on the server subject to a minimum requirement of four licenses per processor. The SQL Server Core Factor Table is no longer used to calculate the required number of core licenses needed for SQL Server 2016 and later versions. For earlier versions of SQL Server, the number of licenses required equals the number of physical cores on the server multiplied by the applicable core factor located in the [SQL Server Core Factor Table \(PDF, 304 KB\)](#).

## Licensing by individual virtual operating system environment

Similar to the Per Core licensing model in physical OSEs, all virtual cores (v-cores) supporting virtual OSEs that are running instances of SQL Server 2016 software must be licensed accordingly.

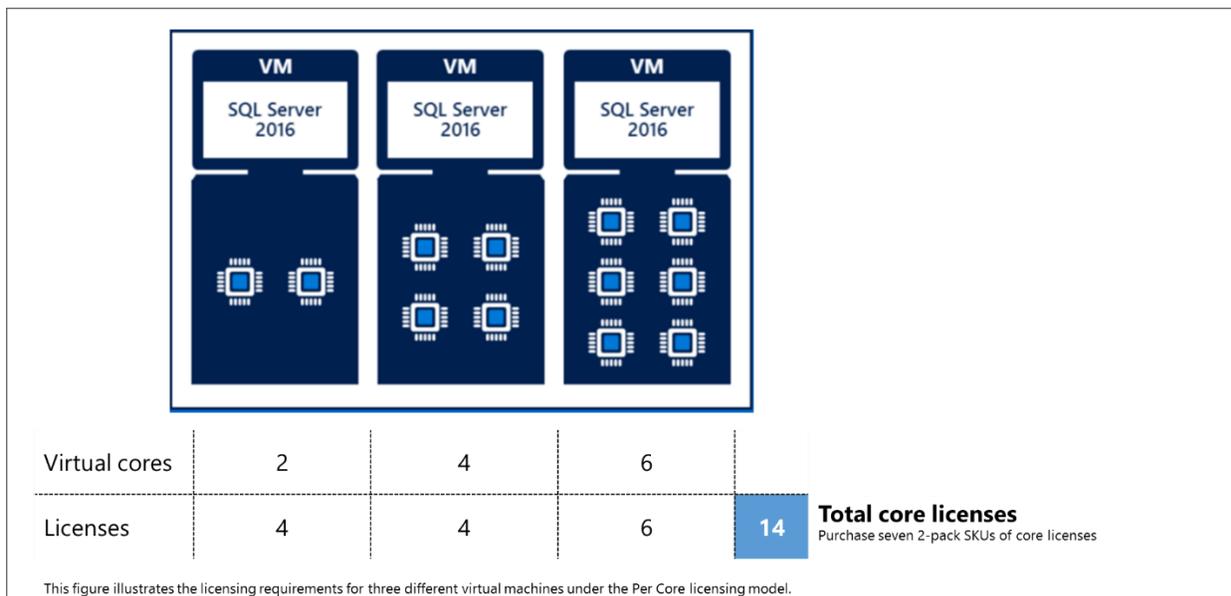
To license individual VMs using the Per Core model, customers must purchase a core license for each v-core (or virtual processor, virtual CPU, virtual thread) allocated to the VM, subject to a four-core license minimum per VM. For licensing purposes, a v-core maps to a hardware thread.

**Note:** Licensing individual VMs is the only licensing option available for SQL Server 2016 Standard Edition customers who are running the software in a virtualized environment under the Per Core model.

For customers with highly virtualized environments who want to move VMs dynamically across servers to reallocate resources as needed, Microsoft permits License Mobility as an exclusive SA benefit available for all SQL Server editions.

# Microsoft Commercial Licensing Guide

- 1 License the virtual cores in each virtual machine
- 2 There is a minimum of four core licenses required for each virtual machine



## Windows Server

With the launch of Windows Server 2016 Datacenter edition and Windows Server 2016 Standard edition, Windows Server licensing has transitioned from being processor-based to being core-based.

For both Standard and Datacenter editions, the number of core licenses required equals the number of physical cores on the licensed server, **subject to a minimum of 8 core licenses per physical processor and a minimum of 16 core licenses per server**. Core licenses are sold in two-packs.

	Datacenter	Standard
Licensing Model	Per Core/CAL <sup>1</sup>	Per Core/CAL <sup>1</sup>
License Type	Core License	Core License
OSEs/Hyper-V containers	Unlimited	Two <sup>2</sup>
Windows Server containers	Unlimited	Unlimited

<sup>1</sup> All physical cores on the server must be licensed, subject to a minimum of eight core licenses per physical processor and a minimum of 16 core licenses per server.

<sup>2</sup> Windows Server Standard edition permits use of one running instance of the server software in the physical OSE on the licensed server (in addition to two virtual OSEs), if the physical OSE is used solely to host and manage the virtual OSEs.

# Microsoft Commercial Licensing Guide

## Minimum Requirements for Standard and Datacenter Editions

The table below provides examples for various server configurations, and the minimum number of core licenses required.

- ▶ **Standard:** When all cores on the server are licensed (subject to a minimum of eight core licenses per physical processor and a minimum of 16 core licenses per server), Standard has rights to use two OSEs or two Hyper-V containers and unlimited Windows Server containers.
- ▶ **Datacenter:** When all cores on the server are licensed (subject to a minimum of eight core licenses per physical processor and a minimum of 16 core licenses per server), Datacenter edition has rights to use unlimited OSEs, Hyper-V containers, and Windows Server containers.

Server Licensing	1-processor server		2-processor server		4-processor server	
	Required # Cores Licenses <sup>1</sup>	Required # 2-Pack SKUs	Required # Cores Licenses <sup>1</sup>	Required # 2-Pack SKUs	Required # Cores Licenses <sup>1</sup>	Required # 2-Pack SKUs
Windows Server Standard & Datacenter						
2 cores per processor	<b>16</b>	8	<b>16</b>	8	<b>32</b>	16
4 cores per processor	<b>16</b>	8	<b>16</b>	8	<b>32</b>	16
6 cores per processor	<b>16</b>	8	<b>16</b>	8	<b>32</b>	16
8 cores per processor	<b>16</b>	8	<b>16</b>	8	<b>32</b>	16
10 cores per processor	<b>16</b>	8	<b>20</b>	10	<b>40</b>	20

<sup>1</sup> Core licenses are sold in 2-packs.

## Licensing Requirements of Additional OSEs for Standard Edition

Standard edition has rights to use two OSEs or two Hyper-V containers and unlimited Windows Server containers when all cores on the server are licensed (subject to a minimum of eight core licenses per physical processor and a minimum of 16 core licenses per server). Once a server is licensed, customers may wish to license the server for additional OSEs or Hyper-V containers. This practice is often referred to as stacking, and is allowed with Standard edition.

The table below provides examples of stacking scenarios for various server configurations, the minimum number of licenses required, and the resulting number of OSEs or Hyper-V containers provided. As a rule, for each additional set of two OSEs or two Hyper-V containers the customer wishes to use, the server must be relicensed for the same number of core licenses. Note that Datacenter edition has rights to unlimited virtualization so stacking therefore is not required.

Stacking Standard OSEs or Hyper-V Containers	1-proc server with 16 cores		2-proc server with 16 cores		4-proc server with 32 cores	
	Required # Cores Licenses <sup>1</sup>	Required # 2-Pack SKUs	Required # Cores Licenses <sup>1</sup>	Required # 2-Pack SKUs	Required # Cores Licenses <sup>1</sup>	Required # 2-Pack SKUs
2 per server	<b>16</b>	8	<b>16</b>	8	<b>32</b>	16
4 per server	<b>32</b>	16	<b>32</b>	16	<b>64</b>	32
6 per server	<b>48</b>	24	<b>48</b>	24	<b>96</b>	48
8 per server	<b>64</b>	32	<b>64</b>	32	<b>128</b>	64
10 per server	<b>80</b>	40	<b>80</b>	40	<b>160</b>	80

<sup>1</sup> Core licenses are sold in 2-packs.

---

# Microsoft Commercial Licensing Guide

## System Center

Server management licensing for System Center 2016 Datacenter edition and System Center 2016 Standard edition has transitioned from being processor-based to being core-based, in alignment with Windows Server 2016. For both Standard and Datacenter editions, the number of core licenses required equals the number of physical cores on the licensed server, subject to a minimum of eight core licenses per physical processor and a minimum of 16 core licenses per server. Core licenses are sold in two-packs. Server Management Licenses (Server MLs) are required for managed devices that run server Operating System Environments (OSEs). For complete details and information on licensing, refer to the [Product Terms](#).

## Servers—specialty servers—server license

An organization must acquire a license for each instance of the server software that they run on a server. An organization can run that instance in a physical or virtual operating system environment. By exception, some products provide more specific use rights. Examples of specialty servers include Windows Server 2016 Essentials, Microsoft R Server for Hadoop, and Microsoft R Server for Teradata DB.

Find the most current Product Terms document at [www.microsoft.com/licensing/products/products.aspx](http://www.microsoft.com/licensing/products/products.aspx).

## Resources and tools

Microsoft provides a number of tools and resources to help keep up-to-date on product licensing. The [Microsoft Licensing website](#) has licensing terms, conditions, and supplemental information relevant to using products licensed through Microsoft Commercial Licensing programs. The following information is available from the site:

- ▶ **Microsoft Online Services Terms.** Published every month, this document provides the Service Terms for Online Services available through Microsoft Commercial Licensing Programs.
- ▶ **Microsoft Product List.** This is a predecessor document to the Product Terms that provided information about Microsoft software and online services products available through Microsoft Commercial Licensing programs. [Access archived versions of the Product List.](#)
- ▶ **Microsoft Product Terms.** Published every month, this document provides the most current information about Microsoft software and online services products available through Microsoft Commercial Licensing programs as well as information about the use rights for software products currently offered under those programs. The Service Terms for online services products are addressed in the Online Services Terms.
- ▶ **Microsoft Product Use Rights (PUR).** This is a predecessor document to the Product Terms that provided information about the use rights for software products offered under Microsoft Commercial Licensing programs. [Access archived versions of the PUR.](#)
- ▶ **Microsoft Services Provider Use Rights (SPUR).** The SPUR details how the products licensed through the Microsoft Services Provider License Agreement may be used.
- ▶ **Commercial Licensing support documents.** Support documents offer additional information, such as government qualifiers, qualified educational user definitions, language options, and currency tables.
- ▶ **Microsoft Technical Limitations.** This documentation summarizes technical limitations included in some Microsoft products, such as how many processors can use a specific server product at one time.
- ▶ **Worldwide contact information:** This site provides contact information to help get answers to product licensing questions.

In addition, Microsoft Commercial Licensing briefs provide information on specific licensing topics, such as Multi-Lingual User Interface (MUI) Language Packs for Windows, Downgrade Rights Chart, and Work at Home Licenses.

---

# Microsoft Commercial Licensing Guide

New topics are added regularly, and each document is available for download. An organization can find the licensing briefs on the Commercial Licensing website at [www.microsoft.com/licensing/about-licensing/volume-licensing-briefs.aspx](http://www.microsoft.com/licensing/about-licensing/volume-licensing-briefs.aspx).

## Managing licenses

Microsoft provides a variety of online reporting services and tools that help track and manage Microsoft software assets.

### On premises

#### Microsoft Volume Licensing Service Center

The Microsoft Volume Licensing Service Center (VLSC) provides a convenient and secure online solution for Commercial Licensing customers to manage licensing agreements, enrollments, and purchases easily. With this online tool, an organization can manage their licenses for Open License, Open Value, Select License, Select Plus,\* and Enterprise Agreements. From the VLSC, they can do the following:

- ▶ Calculate current Microsoft License Statements to view an easy-to-understand, comprehensive license summary across programs and agreements.
- ▶ View license purchases and licenses purchased to date, including expired agreements.
- ▶ View and request Microsoft Volume Licensing Keys (VLKs) and download licensed products based on an organization's Commercial Licensing entitlements.
- ▶ Activate and use Microsoft Software Assurance benefits.
- ▶ Manage access rights for internal staff and Software Assurance administrators.

\*Effective July 1, 2016, in markets where the MPSA is available, Microsoft will stop accepting new orders and Software Assurance renewals through existing commercial Select Plus agreements at the next agreement anniversary date. This retirement does not apply to government and academic Select Plus agreements. More information is at [www.microsoft.com/selectfaq](http://www.microsoft.com/selectfaq).

When an organization enters into their Microsoft Commercial Licensing agreement, the contact person they designate receives an invitation and directions for accessing the online tool. A valid email address is required when an organization signs the agreement to validate their VLSC account on first logon.

The Microsoft Volume Licensing Service Center can be found online at [www.microsoft.com/licensing/servicecenter](http://www.microsoft.com/licensing/servicecenter).

**Note:** If an organization has acquired licenses and services through the Microsoft Products and Services Agreement, they can manage these through the Microsoft Business Center, not the VLSC. The Microsoft Business Center is available online at <https://businessaccount.microsoft.com/>.

#### How to find fulfillment information

Customers can stay informed about the latest product availability, product updates, and access to prior versions, and get other news from Microsoft related to licensed products, by visiting the Microsoft Commercial Licensing fulfillment information site at [www.microsoft.com/licensing/existing-customers/fulfillment.aspx](http://www.microsoft.com/licensing/existing-customers/fulfillment.aspx).

#### Software Asset Management

A Software Asset Management plan can help an organization get control of spending, save money, and stay ahead of the competition.

The Microsoft Software Asset Management website is at [www.microsoft.com/en-us/sam/](http://www.microsoft.com/en-us/sam/).

---

# Microsoft Commercial Licensing Guide

## **Product activation: Volume Activation**

To reduce software piracy and to make sure that all Microsoft customers receive the product quality that they expect, Microsoft includes product activation technology in several Microsoft licensed products that are sold through original equipment manufacturers, retail, and Commercial Licensing channels. To license the Windows operating system, Commercial Licensing customers must use a type of activation called Volume Activation. These keys bypass product activation.

Details are on the Commercial Licensing website at [www.microsoft.com/licensing/existing-customers/product-activation.aspx](http://www.microsoft.com/licensing/existing-customers/product-activation.aspx).

## **Cloud services**

### **Activation of online services through Commercial Licensing**

A key difference between online services and on-premises Microsoft products is that online services reside remotely with Microsoft as the service provider and must be activated before they can be used.

#### **Through the Microsoft Online Subscription Program:**

- ▶ Activate through the Microsoft Online Customer Portal.
- ▶ Notification is sent to confirm that the service is activated.
- ▶ Manage services by using the Microsoft Online Administration Center (MOAC).

#### **Through the Microsoft Products and Services Agreement:**

- ▶ Order and activate through the Microsoft Business Center.
- ▶ Notification is sent to confirm the service is activated.
- ▶ Manage services by using the Microsoft Business Center or the Microsoft Online Administration Center.

#### **Through an Enterprise Agreement, Enrollment for Education Solutions, or School Enrollment:**

- ▶ After the Channel Price Sheet is signed, the Microsoft Regional Operations Center (ROC) processes the deal in the same way that on-premises software contracts are handled.
- ▶ After the deal is processed, the Online Customer Portal sends an activation email.
- ▶ The activation email is sent to an organization's designated online services administrator email address (the same address that is on an organization's enrollment within the Enterprise Agreement).
- ▶ When promoting a trial, use this Microsoft account (formerly Windows Live ID) in advance to avoid migration issues (versus customer's personal Microsoft account).
- ▶ Receive the activation email and must activate by using a Microsoft account.
- ▶ Deal processing and generating an activation email should take approximately 48 hours. If it's not received, the organization or their reseller partner should contact the ROC.
- ▶ An organization can begin using the service at any time after they have activated their service.

---

# Microsoft Commercial Licensing Guide

## Chapter 8: Microsoft Software Assurance

Microsoft Software Assurance includes a unique set of technologies, services, and use rights to help deploy, manage and use Microsoft software and services more efficiently. Benefits span a broad range of Microsoft products and using the benefits can help an organization take full advantage of their investment in IT. Software Assurance is only available through volume licensing and is purchased when an organization buys or renews a Volume Licensing agreement. It is included with some agreements and is an optional purchase with others.

**With Software Assurance, an organization gets access to the latest software updates and other important resources and tools, such as the following:**

Access to new software releases and cost-efficient upgrades.

Consulting services that give an organization on-site expert guidance to plan for new, on-premises, and cloud-based deployments.

Instructor-led technical training options to help reduce the costs of training IT staff, and online training to help end-users improve overall productivity.

Rights to help broaden the value of server licenses through extended use on-premises and in the cloud.

Support benefits to help maximize uptime and maintain an available and responsive IT infrastructure.

### Software Assurance benefit eligibility

Eligibility for Software Assurance benefits varies by commercial licensing program, region, fulfillment options and language. The type and number of benefits allocated to an organization are based on licensing purchases.

For more information, visit the Software Assurance website at [www.microsoft.com/licensing/software-assurance/default.aspx](http://www.microsoft.com/licensing/software-assurance/default.aspx).

### Available benefits

Software Assurance provides a broad range of benefits to help an organization get the most from their Microsoft purchases. Available benefits are determined by the types and quantities of products purchased.

### Deploy and manage

**New Product Versions** allow an organization to upgrade to the latest version of an available product at no additional cost based on active Software Assurance coverage and specific license terms.

**Planning Services provide** in-depth planning assistance from qualified Microsoft partners or Microsoft Services to help an organization plan on-premises, cloud-based, or hybrid software deployments.

**Microsoft Desktop Optimization Pack (MDOP)** enables an organization to virtualize the operating system, applications, and the user experience; manage Windows features; and restore user productivity after a system issue.

**Windows Virtual Desktop Access (VDA) Rights** enables users to access virtual instances of Windows in a variety of user scenarios.

**Windows 10 Enterprise Per-User Add-On** is an optional add-on that provides per user rights for the primary user of a device that is licensed with Windows Enterprise, or Windows per User VDA rights for the primary user of a device that is licensed with Windows VDA.

**Windows To Go Use Rights** enables IT administrators to provide users with a bootable corporate Windows image that can include line-of-business applications, settings, and corporate data on a compatible USB storage device.

---

# Microsoft Commercial Licensing Guide

**Windows Thin PC** enables IT with an enterprise-ready platform to repurpose existing PCs as thin client to run certain applications based on Software Assurance coverage terms specified in the Product Terms.

**Enterprise Source Licensing Program** offers access to Windows source code for internal development and support. Eligibility is based on certain Software Assurance coverage criteria.

**Office Online Services and Office Online Server** provides browser-based versions of Word, PowerPoint, Excel, and OneNote from on-premises environments.

**Office Roaming Use Rights** allows the single primary user of the licensed device to remotely access Office, Project and Visio running on server from a qualifying third-party device, or run the software in a virtual environment from a qualified third-party device.

**Office Multi-Language Pack** enables IT to deploy a single Office image with support for 40 user interface languages. Note for Office 2016, the Office Multi-Language Pack is included as part of the product.

**Servers – Self Hosted Applications** allows an organization to provide their own software as a hosted service using a combination of Microsoft Software and their own software to create a unified solution (“Unified Solution”), subject to the terms outlined in the Microsoft Product Terms.

**License Mobility through Software Assurance** enables an organization to deploy certain server application licenses on-premises or in the cloud by assigning their existing licenses to an authorized service provider’s server farm, without having to buy additional licenses.

## Training

**Training Vouchers** provides in-depth technical classroom training for IT professionals and developers, and self-paced online training through Microsoft Official Courseware (MOC On Demand).

**E-Learning** offers self-paced, interactive training for end-users and IT professionals delivered over the Internet or an intranet.

**Home Use Program** provides employees with the latest version of Microsoft Office for their home computer, via a low-cost download.

## Support

**24x7 Problem Resolution Support** provides around-the-clock phone support for business-critical issues or business hours’ phone support for non-critical. Unlimited email support can be used for non-critical problems.

**Servers – Disaster Recovery Rights** provides licensing for backup servers dedicated to disaster recovery. Permits quarterly patching and testing, and ongoing virtual machine replication from production servers to backup/disaster recovery servers.

**System Center Global Service Monitor** is a cloud service that extends the application monitoring capabilities in System Center beyond an organization’s own network boundary.

**Fail-over Rights** allows a passive-fail-over instance (i.e., non-production, but “warm” instance) on another server in anticipation of a fail-over event.

**Extended Hotfix Support** provides specific product fixes on a per customer incident basis, beyond the standard product support.

**Microsoft Dynamics CustomerSource** is an online portal that includes a broad set of product and service support resources for Dynamics customers with Software Assurance coverage.

---

# Microsoft Commercial Licensing Guide

## Specialized benefits

- ▶ **Step-up License availability** enables an organization to migrate their software from a lower-level edition to a higher-level edition without incurring the full cost of licensing two separate editions of the software.
- ▶ **Spread Payments** enables an organization to spread payments for Volume Licensing and Software Assurance across three annual sums.

**Note:** Software Assurance benefits are subject to change. To verify current benefits and eligibility, refer to the Microsoft Commercial Licensing Product Terms at [www.microsoft.com/licensing/products/products.aspx](http://www.microsoft.com/licensing/products/products.aspx).

## Acquiring Software Assurance

Software Assurance is purchased when an organization buys or renews a Volume Licensing agreement. It is included with some agreements and is an optional purchase with others. Whether an organization chooses to add Software Assurance to their Volume Licensing purchase or it is included with their Volume Licensing program, they can begin using their benefits immediately and throughout the term of their license agreement.

## Taking the next step

Learn more about Software Assurance on the Software Assurance website at [www.microsoft.com/sa](http://www.microsoft.com/sa). An organization's preferred Microsoft Commercial Licensing reseller can help them acquire Software Assurance.

### Use the following contact information to find a Microsoft Commercial Licensing reseller:

- ▶ In the United States, call (800) 426-9400 or visit <http://pinpoint.microsoft.com/>.
- ▶ In Canada, call the Microsoft Resource Centre at (877) 568-2495.
- ▶ Outside the United States or Canada, contact a local Microsoft subsidiary. To locate a local subsidiary, visit [www.microsoft.com/worldwide](http://www.microsoft.com/worldwide).

© 2017 Microsoft Corporation. All rights reserved.

This document is for informational purposes only. MICROSOFT MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN THIS DOCUMENT. This information is provided to help guide your authorized use of products you license; it is not your agreement. Your use of products licensed under your volume license agreement is governed by the terms and conditions of that agreement. In the case of any conflict between this information and your agreement, the terms and conditions of your agreement control. Prices for licenses acquired through Microsoft Resellers are determined by the reseller.