

do Introducing software licenses into the Cloud Solution Provider (CSP) program Partner FAQ

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Microsoft is driving simplification across its licensing programs and continuing to invest in its new commerce experience. These changes will streamline how we sell to customers and provide our partners more opportunities, ultimately adding value to the customer experience and contributing to successful business outcomes. In the new commerce experience, the Cloud Solution Provider (CSP) program is the primary vehicle for the partner-led sales motion. Microsoft continues to introduce new operational efficiencies in CSP while enhancing trust and transparency including a single set of evergreen customer and partner agreements, a streamlined shopping cart experience.

[Change Log](#)

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General

1. What are software licenses (also known as *perpetual software*) in CSP and what products are available?

(Perpetual) software licenses are licenses for on-premises Microsoft products such as Office Pro Plus or SQL Server, that a customer acquires in perpetuity. In the Cloud Solution Provider (CSP) program, the software is license-only (L-only) and does not include the option to add Software Assurance (SA). This new set of offers gives qualified partners the opportunity to use one program to sell a greater breadth of Microsoft products. Partners are still able to procure software licenses through Open License, Open Value, and other programs as appropriate for their customer's' business needs.

Software licenses available in CSP include desktop tools such as Word, Excel, Project, and Visio; infrastructure servers that include Windows Server, SQL Server, Biztalk Server; and productivity servers that include, SharePoint, Skype for Business, and Project Server.

2. Who is qualified to transact customers software licenses in CSP?

Software licenses in CSP will be available for transacting through a set of qualified partners in certain geographies. Starting January 2021, Microsoft will expand software licenses in CSP to the entire CSP partner ecosystem.

Qualified partner requirements are:

1. Simultaneously active CSP Indirect Providers as well as authorized Commercial Distributors for the Open License program
2. Managed by Microsoft
3. Operate in a geography where software in CSP is currently supported

Indirect resellers in CSP transacting with qualified partners may resell the expanded offer catalog as well. Direct bill partners in CSP that are not currently qualified can transact software via other available Microsoft Volume Licensing programs, through their commercial distributor of choice.

3. In what geographies and which customer audiences will software licenses in CSP be available?

Software licenses in CSP are available worldwide and align with the CSP program's available geographies. These offers are currently available in 123 countries for 12 currencies and will expand to more than 60 additional markets in the coming months. Updates on specific country availability (exclusions or additions) will be reflected in the software price list posted in the Partner Center Sell → Pricing & Offers page.

4. What is the recommended customer profile for this offer?

Customers include any organization that is serviced by a partner in CSP that also needs to purchase a discrete number of software licenses available in the catalog. The addition of software licenses to the CSP program allows qualified partners to leverage the same improved commerce experience also used to provide cloud services, giving customers a broader set of offers and solutions, easing customer transitions to the cloud. Partners can provide a simplified experience for customers who

need licenses and managed services to support their hybrid environments and who desire to transact with a single partner.

5. What is the partner value of these offers?

Partners benefit from the expansion of the Microsoft product catalog because of the availability of software licenses in CSP supported by the investments Microsoft continues to make in the new commerce experience. The result of adding software to CSP in the new commerce experience will be a reduction in time and costs associated with managing multiple licensing programs along with improved sales, operational, and management capabilities for partners within a single commerce platform.

6. What types of customers should purchase perpetual software licenses through the Cloud Solution Provider Program (CSP)?

Small, medium, and corporate customers who currently buy license-only software licenses through Open License should consider buying new software licenses through a partner in the CSP program. Customers will retain all rights to their existing perpetual licenses. Net-new customers who do not want Software Assurance should be guided to purchase software licenses and online services through a partner in the CSP program instead of Open License.

7. Where can I learn about invoicing, billing, how to transact, and all other operational details related to perpetual software offers in CSP?

Please see the [Partner Center New Commerce Operations Guide](#) which is designed to help Cloud Solution Provider (CSP) partners quickly learn and understand the operational aspects of transacting marketplace offers, Microsoft Azure reservations, software (perpetual) licenses, and server subscriptions through Partner Center. Additional information can also be found in the [CSP Offers](#) section of Partner Center Documentation.

8. Are the licensing program rules and details available for selling perpetual software licenses?

We have software related terms in the Microsoft Partner Agreement to cover for the expansion of software. That can be found here:

<https://vldoctool.cloudapp.net/DocSearch/DocumentPreview/61911> (you can search for 'Software Offer Terms and Obligations')

Expansion of Software Licenses in CSP

9. When will software licenses in CSP expand to the remaining CSP partner ecosystem?

Direct bill partners in CSP that are not included in the group of qualified partners can continue to transact software via other available Microsoft Volume Licensing programs, through their commercial distributor of choice. All CSP partners may offer software licenses through CSP starting January 2021. Updates will be documented on Partner Center.

10. Does expanding the scope of software licenses to CSP mean the customer can no longer purchase through the Open License program?

Software licenses in CSP do not replace any current offerings available through other Microsoft licensing programs. Software licenses in CSP have been created to help partners in CSP to provide

more options to their customers. These partners can still use Microsoft Open and other Microsoft volume licensing programs that are better suited for their customers' needs.

11. Is the recommendation that government customers will not use CSP since there is no government pricing?

Offers will be available to all segments (including Gov/SOE) over time, starting with commercial customers. We will communicate timelines once we have more information.

Pricing and Partner Incentives

12. Is it possible to get a volume discount on software licenses for CSP customers?

Volume discounts from Microsoft are not available for software licenses sold through CSP.

13. What is the partner margin applied to these offers?

Please consult current pricelists (or with your indirect provider, should you be an indirect reseller).

14. How else will partners in CSP be compensated for software licenses purchased within CSP?

Any available incentives programs will be separately communicated to qualifying partners.

15. On which CSP pricelist will software licenses be included?

Starting July 15th, 2020, partners can find the pricelist for software in CSP in Partner Center in the "Software" section of the "Pricing & Offers" page (for partners with a direct billing relationship with Microsoft). The pricelist will be posted in Microsoft Excel once a month as per the standard Partner Center price list publication cycle.

16. What happens if pricing changes during the term of a software license?

The cost is set at time of transaction and any price changes would apply to subsequent purchases of licenses.

17. Will there be incentives for partners when they sell perpetual software licenses in the Cloud Solution Provider program after January 1, 2021?

There are no plans to incent perpetual software licenses in the Cloud Solution Provider program.

18. Will there be product parity between Open License and software licenses sold through partners in CSP?

Except for a few end-of-life products, there will be parity between Open License and CSP by the time Open retires on Dec. 31, 2021. Most products are available today and the rest will be in the coming months.

Customer Purchase and Use

19. How does a CSP partner facilitate purchase of software licenses in CSP?

Qualified partners need to purchase these offers on the Partner Center portal or through Partner Center API/SDK integration.

20. What is the minimum customer purchase commitment?

There is no minimum purchase commitment for customers purchasing in CSP.

21. Is there a limit to how many licenses a customer can purchase in CSP?

There is no limit to how many licenses a customer can purchase in CSP. However, since there is no volume licensing discount in CSP, partners should explore options for large customers or customers with existing Microsoft Volume Licensing agreements to determine the best pricing option.

22. What is the process for delivering software license downloads and license keys?

There are two aspects to the process related to selling software licenses through CSP. The partner must:

1. Order the software for the intended end customer
2. Provide the end customer with access to the product key(s) and the software available for download.

Note that while partners can obtain software keys and bits for the end customer using Partner Center, we strongly recommend that partners leverage the Microsoft 365 Admin Center (MAC), where customers can retrieve their own license keys instead. The fulfillment of bits and keys in MAC further enhances the secure delivery of software purchased and allows customers to manage their subscriptions and self-serve at their convenience, improving the customer experience. This also reduces partner risks associated with copying and sending license keys from Partner Center directly to the customer. For additional security, all partner activities for accessing and delivering software keys and downloads are now tracked in the Partner Center Activity Log. With this new activity logging feature, partners can track internal user access to create orders, get keys and downloads, and have more control and reducing potential fraud risk.

23. Why isn't Software Assurance offered on software licenses through CSP?

The move to offer software licenses in CSP is needed to meet customers wherever they are in their digital transformation. This enhancement provides a solution to a customer's hybrid needs. While these changes start with software licenses, Microsoft may expand to additional offers like Software Assurance (SA) in the future. While CSP doesn't currently offer software licenses with SA, other offers in CSP (such as server subscriptions) offer some of the benefits available in SA such as Azure Hybrid Benefits. For more information about server subscriptions in CSP please access:

<https://docs.microsoft.com/partner-center/csp-software-subscriptions>

24. Are there Azure Hybrid Benefits for software licenses in CSP?

Azure Hybrid Benefit (AHB) is available in CSP with Windows Server and SQL Server subscriptions, so customers in need of AHB should purchase those. AHB is not available for software perpetual licenses in CSP because Software Assurance (SA) is not sold in CSP.

25. Can a customer use SA licenses from another licensing program in CSP?

A CSP customer may use Azure Hybrid Benefits with their Azure VMs and other resources if they have made qualifying SA or subscription purchases, including purchases made outside CSP.

26. Can software licenses be transferred between customers?

No. There are no transfer capabilities within CSP.

27. Are there exceptions to the 5-license minimum requirement?

There are some products where you buy just one and it meets the minimum as designated in the Product Terms. Products designated in the Product Terms as "OM" don't require a minimum of 5. "Open Minimum" defined as "each license counts solely as 5 licenses for the purpose of the initial order minimum in OL and OV."

SKUs with "Qfd" meet that requirement.

28. Will SW in CSP have Gov and Edu SKUs? If not, do they purchase the CSP commercial SKU?

Gov and EDU SKUs for SW will not be available in CSP in January 2021. We will communicate timelines for these segments once we have more information.

Billing and Invoicing

29. How will the partner be billed for software licenses purchased in CSP?

Software licenses purchased in CSP are aligned to the new CSP billing process – partners are billed for all their transactions on the 8th of the following month. The invoice for the new commerce experience is based on customer's location and the customer country currency. For more details, please access: <https://docs.microsoft.com/partner-center/one-time-and-recurring-billing#microsoft-and-third-party-isv-product-charges>

30. Can a partner spread payments for software licenses purchased in CSP?

No. Full payment is required upfront.

31. Can software licenses be returned or exchanged?

In alignment with CSP policy for software products, software licenses purchased in CSP may be returned within 60 days of purchase for a full refund. Partial returns are not allowed, and beyond the 60 days no returns or exchanges are allowed. The order will be credited 100% credit and the keys will be deactivated. Exchanges do not apply to software licenses purchased in CSP. As of November 2019, partners may cancel software subscriptions either directly from within Partner Center or by using the Partner Center API, without needing assistance from Microsoft.

32. What is changing related to partner billing currency in the EU/EFTA region?

In the EU/EFTA region only, all new commerce offers in CSP, including perpetual software in CSP, will revert to partner billing location instead of customer billing location. This means that partners will be billed by Microsoft based on their location currency, not their customers' location currency. This will be done in two phases:

- Phase 1: Any new customer purchasing a new commerce offer in CSP- Partners will be billed for those purchases in partner location currency. Partners will continue to be billed in customer location currency for customers with existing new commerce offers in CSP.

- Phase 2: Any existing customers who have already purchased a new commerce offer in CSP prior to January 2021- Partners will be billed for these offers in partner location currency instead of customer location currency.

For more information on this upcoming change, please view the [EU/EFTA Partner Billing Currency Change- Partner FAQ](#).

Customer Support for Software & Server Subscriptions

33. What level of support does a partner need to provide the customers?

Partners are required to be the first point of contact for customer support issues directly related to the procurement, license key access/activation, and product media/download fulfillment of products deemed to be Software or Server Subscription offers. Specifically, for software license products in CSP:

- Partner is not required to provide product technical support
- Partners can provide support guidance and direct a customer to purchase pay-per-incident support from the partner, Microsoft or a third-party for technical issues
- Partner will provision or guide customers in self-serve provisioning of Volume Licensing Activation Keys in the Microsoft Admin Center (MAC)
- Partner will fulfill or guide customers in self-serve fulfillment of software media via download functions in the MAC

34. How does a customer get technical product support for software licenses purchased via CSP?

Partners can choose to provide customers support themselves, they can direct customers to pay for a support incident at support.microsoft.com from Microsoft, or customers can select another third-party support solution.

35. How does a partner get technical support for Partner Center and the API?

Partners should contact the support team from within Partner Center [support page](#).

Change Log

November 2020

Added: "[What is changing related to partner billing currency in the EU/EFTA region?](#)"

October 2020

The following questions/answers were added:

- [Are there exceptions to the 5-license minimum requirement?](#)
- [Will there be incentives for partners when they sell perpetual software licenses in the Cloud Solution Provider program after January 1, 2021?](#)
- [What types of customers should purchase perpetual software licenses through the Cloud Solution Provider Program \(CSP\)?](#)
- [Is the recommendation that government customers will not use CSP since there is no government pricing?](#)
- [Will there be product parity between Open License and software licenses sold through partners in CSP?](#)
- [Are the licensing program rules and details available for selling perpetual software licenses?](#)
- [Will SW in CSP have Gov and Edu SKUs? If not, do they purchase the CSP commercial SKU?](#)
- [Where can I learn about invoicing, billing, how to transact, and all other operational details related to perpetual software offers in CSP?](#)

September 2020

Question 1 updated: Exchange 2019 not available until January 2021

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