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# Topic Title: Flexible Billing Schedule for Private Offers on the Azure Marketplace

## Overview

This document captures frequently asked questions about flexible billing schedules—gathered from both external partners and Microsoft internal teams. It is designed to help Marketplace stakeholders understand how to configure, use, and support flexible billing scenarios effectively.

## Introduction about Flexible billing:

Flexible billing schedules are supported for both **customer private offers** and **multiparty private offers** on the Azure Marketplace. This feature is available for:

* **SaaS offers**
* **Virtual Machine (VM) software reservations**
* **Professional Services**

Flexible billing allows you to schedule up to 70 installments (also referred to as charges or scheduled payments). These installments can vary in **amount and timing**, offering greater flexibility to meet customer-specific requirements.

## Real world scenarios and use cases

Flexible billing gives partners the ability to customize the timing and amount of each installment. Below are some examples of how this is used in practice:

**🔹 Use Case 1: Unequal (Tiered) Annual Installments Over 5 Years**

A customer signs a 5-year contract but wants to pay a different amount each year—for example:  
Year 1: $10K → Year 2: $15K → Year 3: $20K → Year 4: $25K → Year 5: $30K.

This is commonly referred to as unequal or tiered payments and can be set up using 5 annual installments with different charge amounts and dates.

**🔹 Use Case 2: Quarterly Installments for a 3-Year Term**

The customer prefers **quarterly payments** instead of annual or upfront. With a 3-year contract, you can schedule **12 equal installments** (one per quarter).

**🔹 Use Case 3: Delayed First Installment**

The customer agrees to a 2-year deal but wants to **delay the first charge** for 30 days. After that, the second installment should occur exactly one year later. Flexible billing supports this delay by letting you set custom charge dates.

## Frequently Asked Questions

1. **Question**: what are flexible billing schedules?

**Answer: Flexible billing schedules** are supported for both customer private offers and multiparty private offers.

* Supported for: SaaS (flat-rate only), VM software reservations, and Professional Services plans.
* Available globally for all marketplace-supported currencies.

**Key limitations:**

* Not supported for SaaS per-user (seat-based) pricing.
* Only applies to flat-rate pricing; metered overages are still billed monthly.
* When creating private offers, flexible billing is only available if you choose the second option (create a new private offer), not when customizing public plans.

1. **Question**: Where can I find the flexible billing for private offer option in Partner Center?

**Answer:** To access the flexible billing option in Partner Center:

* Log into Partner Center.
* Go to **Marketplace offers** > **Private offers** tab.
* Click **New private offer**.
* Select **Customize SaaS plans and Professional Services**.

After selecting a plan and configuring pricing, you’ll be able to schedule payments as part of the flexible billing feature.

📘 Learn more here: <https://learn.microsoft.com/en-us/partner-center/marketplace-offers/flexible-billing-schedule>   
🎥 Watch the full training series here: <https://microsoft.github.io/Mastering-the-Marketplace/partner-center/pc-flex-billing/> — includes:

* Flexible billing setup
* Multiparty private offers
* Customer purchase experience walkthrough

Screenshots:

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A screenshot of a computer

AI-generated content may be incorrect.

1. **Question: How many payments can I schedule with flexible billing in a private offer?**

**Answer:** Flexible billing allows you to schedule up to 70 installments for a private offer, as long as the selected contract duration is longer than one month and publicly listed for the chosen base plan.

For each installment, you must specify:

* A unique charge date
* A specific charge amount
* (Optional) Notes for added context—visible to both the customer and the partner.

1. **Question: What is the maximum contract duration supported by flexible billing in a private offer?**

**Answer:** **Flexible billing in the Azure Marketplace supports up to 5 years per private offer for SaaS, VM, and professional services offers.**

To use flexible billing:

* The public base plan must have the exact billing term (1, 2, 3, 4, or 5 years) enabled in Partner Center.
* You can schedule up to 70 charges, each with a unique charge date and amount, plus optional notes for context.

For Terms Longer Than 5 Years: Azure Marketplace does not support flexible billing for durations beyond 5 years in a single offer. However, you can consider using stacked private offers to extend the effective contract length.

Example Combinations:

| **Target Duration** | **Private Offer Combination** |
| --- | --- |
| 6 years | 3 + 3 years, or 4 + 2 years |
| 7 years | 5 + 2 years, or 4 + 3 years |
| 8 years | 5 + 3 years, or 4 + 4 years |
| 9 years | 5 + 4 years, or 3 + 3 + 3 years |
| 10 years | 5 + 5 years |

📌 Each term must be enabled in the **public plan**. Customers must accept each private offer individually, so coordination is key for a seamless experience.

1. **Question:** If I set up a private offer for my customer and don’t want to charge them at the time of purchase, is there a way to configure this in the private offer?

**Answer:**  
Yes. You can configure a flexible billing schedule in the private offer. To avoid charging the customer at the time of purchase, you can set the initial payment amount (immediate charge) to $0. The remaining payments can then be scheduled according to your agreed billing schedule.

1. **Question:** I noticed that within the flexible billing charges, there is a column where I can enter notes. Will my customer be able to see these notes?

**Answer:** Yes. The notes entered in the flexible billing schedule are visible to the customer.A screenshot of a computer

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## Additional Resources

1. Microsoft Learn documentation on flexible billing schedules for private offers: <https://learn.microsoft.com/en-us/partner-center/marketplace-offers/flexible-billing-schedule>
2. Video: [Flexible billing for private offers overview](https://www.youtube.com/watch?v=W7FRQKg1YAQ) - this video explains what Flexible Billing is, how the feature works, and covers details of capabilities and restrictions. This video covers the following topics.
3. Video: [Configure flexible billing on customer private offers](https://www.youtube.com/watch?v=9PeWfAaNTD4) - This demo-heavy video shows ISVs how to create a direct Customer Private Offers with a Flexible Billing schedule.
4. Video: [Configure flexible billing for multiparty private offers](https://www.youtube.com/watch?v=TfplLKxwSBY) - This demo video shows how to create Multi-party Private Offers with Flexible Billing. This topic is valuable for ISVs and Channel Partners.
5. Video: [The flexible billing for private offers customer experience](https://www.youtube.com/watch?v=jVemNMgXBLU) - This demo-only video shows the Customer purchase experience for a Marketplace Private offer which has a Flexible billing setup. This video is valuable to ISVs and Customers.

## Escalation Contact

1. If partner needs help or have questions, the standard process is to file a support ticket in Partner Center - <https://partner.microsoft.com/en-us/dashboard/home>