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

Microsoft Internal FAQ
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Overview

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.

In January 2021, perpetual software licenses were made available to all partners in the CSP program to sell to customers. In July 2021, perpetual software licenses were made available with education and nonprofit pricing (government customers will buy the commercial SKUs at the same price).

Resources
[Open License retirement FAQ](#)
[Software licenses in CSP for public sector FAQ](#)

This FAQ document provides information on perpetual software licenses in CSP. This document must not be shared or published to partners.

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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 rights to in perpetuity. In the CSP program, the software license being introduced is license-only (L-only) and does not include the option to add Software Assurance (SA). This new offer gives partners the opportunity to use one program to sell a greater breadth of Microsoft products. Partners are still able to offer software licenses through Open License, Open Value, and other programs as appropriate for their customer's needs.

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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 Exchange, SharePoint, Skype for Business, and Project Server.

2. **What partners are qualified in CSP to offer software licenses to customers?**
   All CSP partners are eligible to offer perpetual software licenses in CSP.

3. **In what geographies and for what customer audiences will software licenses in CSP be available?**
   Software licenses in CSP are available worldwide and align with the CSP program available geographies. 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 participating partners to leverage the same improved commerce experience also used to provide cloud services, offering 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 the perpetual software license offers?**
   Partners benefit from the expansion of the Microsoft product catalog as a result of the availability of software licenses in CSP supported by the investments we continue to make in the new commerce experience. The result of adding software to CSP in the new commerce experience is 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 available in 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 (and from January 1, 2022, must purchase L-only through CSP). 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.

Expansion of software licenses in the CSP program

7. **Do partners have new licensing program rules for selling perpetual software licenses?**
   There are software related terms in the Microsoft Partner Agreement to cover for the expansion of software. Partners can review the Microsoft Partner Agreement (MPA) in Partner Center (search for 'Software Offer Terms and Obligations' in the MPA).

8. **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 before the end to Open License ordering on December 31, 2021.

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9. **Is the recommendation that government customers buy through a partner in the CSP program?**
    While we started this journey by launching offers to commercial customers, Microsoft expanded these offers to public sector customers including government, education and nonprofit in July 2021. For more information view the [Open License Changes- public sector FAQ](#) and [L100 Overview presentation](#).

10. **When will Open License program offers end?**
    In January 2022, Microsoft will cease selling all offers through the Open License program, and from that time, customers may only purchase perpetual software (L-only) offers via the Cloud Solution Provider program. Perpetual software licenses with Software Assurance and Software Assurance renewals can be purchased through the Open Value program.

    In July 2021, Microsoft stopped adding new offers to the Open License program.

Pricing

11. **Can customers get a volume discount on software licenses through CSP partners?**
    Volume discounts from Microsoft are not available for software licenses sold through CSP.

12. **What is the partner margin applied to these offers?**
    Partners can consult current pricelists (or with an indirect provider for an indirect reseller).

13. **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.

14. **On which CSP pricelist will software licenses be included?**
    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 using the standard Partner Center publication cycle (first week of the month).

15. **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.

Customer Purchase and Use

16. **How does a partner in CSP facilitate purchase of software licenses in CSP?**
    Partners need to purchase these offers on the Partner Center portal or through Partner Center API/SDK integration.

17. **What is the minimum customer purchase commitment?**
    There is no minimum purchase commitment for customers purchasing from a partner in the CSP program.

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

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19. **What's the process for delivering software license downloads and license keys?**
    Once a software purchase for the intended customer has been completed in Partner Center, there are two ways the software and license keys can be obtained:
    1. (Customer obtains) Using the Microsoft 365 Admin Center: In Partner Center partners can navigate to the customer **Software** screen and **copy** the hyperlinked text at the top titled **Link to software product keys and downloads**. Share this link with your customer. This is a deep link to the Microsoft 365 Admin Center where the customer can retrieve their software and license keys. You can also share the Microsoft 365 Admin Center software and license key download how-to article with your customer.

    2. (Partner obtains) Using Partner Center: Partners can obtain the software and license keys via the Software → Order History screen for the customer. See the Partner Center New Commerce Operations Guide (*Ordering & Fulfillment Through Partner Center* section) for step-by-step guidance. We also recommend reviewing the *Guidance on Software Key Distribution* section.

20. **Where should partners go to request support for software activation issues after keys have been downloaded from Partner Center?**
    Partners should contact Partner Center support.

21. **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 in the future. While CSP doesn't offer software licenses with Software Assurance, other offers in CSP (such as server subscriptions) offer some of the benefits available in Software Assurance such as Azure Hybrid Benefit. For more information about server subscriptions in CSP please access: https://docs.microsoft.com/partner-center/csp-software-subscriptions.

22. **Are there Azure Hybrid Benefits for software licenses in CSP?**
    Azure Hybrid Benefit is available in CSP with Windows Server and SQL Server subscriptions, so customers in need of Azure Hybrid Benefit should purchase those. Azure Hybrid Benefit is not available for software perpetual licenses in CSP, because Software Assurance is not sold in CSP.

23. **Can a customer use Software Assurance licenses from another licensing program in CSP?**
    A customer may use Azure Hybrid Benefit with their Azure VMs and other resources if they have made qualifying Software Assurance or subscription purchases, including purchases made outside CSP.

24. **Can perpetual software licenses in CSP be transferred between customers?**
    License transfers allowed in Open License offers will also be allowed for perpetual software offers in CSP. Generally, perpetual licenses may be transferred only 1) to Affiliates or 2) to a third party solely in connection with the transfer of hardware or employees as part of a divestiture or merger involving the customer or an Affiliate.

    Customers in EU/EFTA may transfer software licenses to the extent allowed under applicable law if the distribution right has been exhausted. In all cases, when licenses are transferred, the transferring customer must uninstall and discontinue using the software and render any copies unusable. The transferring customer must also provide the transferee with a copy of the General Terms from the Microsoft Customer Agreement,

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the applicable Product Terms, and any other documents necessary to show the scope, purpose and limitations of the licenses transferred.

25. **Does a partner need to notify Microsoft when a customer transfers software licenses?**
    No. Unlike the Open License program, the Cloud Solution Provider program does not require customers or partners to notify Microsoft of license transfers. The customer and the transferee must, however, keep accurate records of the transfer, and the transferee must be able to show proof of license in the event of an audit.

26. **Regarding downgrade rights for perpetual software, if a customer has obtained the perpetual software offer via a CSP partner, will downgrade rights be aligned to the product terms?**
    Downgrade rights in CSP align to other volume licensing programs as outlined in the Product Terms. See the Terms for details:
    https://www.microsoft.com/licensing/terms/product/ForallSoftware/MCA.

27. **Will there be public sector SKUs for perpetual software in CSP? If not, do they purchase the CSP commercial SKU?**
    When a new customer is setup for purchasing through a partner in the CSP program, the partner chooses the customer type—commercial, education, government, or nonprofit/charity—and the customer is qualified by Microsoft if necessary (education and nonprofit/charity customers). When ordering, partners are only shown the SKUs customers are prequalified to buy, although the pricelist will show all available SKUs. Commercial and government will have the same price, so partners should order the commercial SKUs for government organizations.

Billing and Invoicing

28. **How will the partner be billed for software licenses purchased from a partner through CSP?**
    Software licenses purchased from a partner through a partner in the CSP program are aligned to the new CSP billing process – partners are billed for all their transactions on the eighth day 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, partners can access: https://docs.microsoft.com/partner-center/one-time-and-recurring-billing#microsoft-and-third-party-isv-product-charges

29. **Can a partner spread payments for software licenses purchased in CSP?**
    No. Full payment is required upfront.

30. **Can perpetual software licenses be returned or exchanged?**
    In alignment with CSP policy for software products, software licenses purchased in CSP may be returned within 30 days of purchase for a full refund. Partial returns are not allowed, and beyond the 30 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. Partners may cancel software subscriptions either directly from within Partner Center or by using the Partner Center API, without assistance from Microsoft.

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31. 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 was 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.

32. 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 special incentives for perpetual software licenses in the Cloud Solution Provider program.

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 fulfilment 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.

Get Genuine Windows Agreement (GGWA)

36. How can partners get support for GGWA-related questions?
Partners can open a support ticket in Partner Center following these instructions: Collecting diagnostics and reporting problems in Partner Center - Partner Center | Microsoft Docs

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37. **Will there be downgrade rights available for GGWA licenses?**
    Downgrade rights are provided under the standard licensing terms. Media for prior versions won't be made available.

38. **After installing GGWA Windows 10 licenses, can they be upgraded to Win 11 Pro?**
    Yes, if the device meets the requirements. For more info on Win11 please check New Windows 11 for Business – Microsoft

39. **Are GGWA licenses transferrable?**
    No. GGWA licenses are not transferrable.

40. **How are GGWA licenses acquired and installed?**
    GGWA licenses are now available via partners in the CSP program. Because it is a CSP offer, there is no physical media associated with the product. Partners can purchase through Partner Center by selecting the Customer after Software and Perpetual Software. The GGWA Windows 10 Professional license is a full license and as such, partners can download keys and bits from Partner Center.

41. **Does GGWA licensing come with media? If not, how do my customers acquire media?**
    Physical media isn't included. Bits can be downloaded from Partner Center for Windows GGWA – Windows 10 Professional.

42. **Is installation and activation required?**
    There are two customer scenarios for installation and activation:
    - If the customer is running non-genuine software (i.e., counterfeit), they can install the genuine copy. To activate the software, the customer uses volume licensing keys (VLK) provide by the CSP partner which are obtained via Partner Center.
    - No installation or activation is required if the customer already has genuine software. This scenario typically applies when there is a mis- licensing situation (e.g., customer used a Volume License agreement to install Windows without an underlying operating system).

43. **Is there a solution available for large organization deals?**
    Yes. Large organizations can contact a Microsoft representative to purchase (minimum order of 250 licenses).

44. **What should the customer be offered if they have utilized GGWA previously?**
    For a customer who has already utilized GGWA and has a new non-genuine license, they should purchase a genuine version of Windows through any retail store. See https://www.microsoft.com/howtotell to learn more about genuine Windows.