



CSP New Commerce Experience Handbook

An instructional guide for partners on selling seat-based offers in new commerce

Last updated: April 13, 2022

| | | |
|------|--|----|
| 1. | About the Handbook..... | 6 |
| 2. | What is the new commerce experience? | 7 |
| 3. | Seat-based offers in the new commerce experience | 8 |
| 4. | New commerce experience subscriptions..... | 9 |
| 4.1. | Overview | 9 |
| 4.2. | Creating a new subscription | 9 |
| 4.3. | Making changes to subscriptions..... | 9 |
| 4.4. | Price protection..... | 10 |
| 4.5. | Coterminous licenses | 10 |
| 5. | Billing periods and invoices..... | 11 |
| 5.1. | Overview | 11 |
| 5.2. | 1-month licenses..... | 11 |
| 5.3. | 1-year licenses..... | 11 |
| 6. | New commerce experience price list..... | 13 |
| 6.1. | Overview | 13 |
| 6.2. | Downloading the price list | 13 |
| 6.3. | Price list currencies | 13 |
| 6.4. | Understanding the SKUs | 14 |
| 7. | New commerce experience Offer Matrix | 15 |
| 7.1. | Overview | 15 |
| 7.2. | Downloading the Offer Matrix..... | 15 |
| 7.3. | Finding the prerequisites for an Add-on offer | 15 |
| 7.4. | Seeing what offers a particular SKU may be upgraded to | 15 |
| 7.5. | Understanding the maximum number of licenses for a product | 16 |
| 8. | Subscription terms and billing frequency | 17 |
| 8.1. | Overview | 17 |
| 8.2. | License terms | 17 |
| 8.3. | Billing frequency | 17 |
| 8.4. | Changing term duration and billing frequency midterm | 17 |
| 9. | 1-month subscriptions | 18 |
| 9.1. | Overview | 18 |
| 9.2. | Pricing..... | 18 |
| 9.3. | Billing..... | 18 |

| | | |
|--------|--|----|
| 9.4. | Term | 19 |
| 9.5. | 1-month subscription end-date exceptions..... | 20 |
| 9.6. | Longer-term 1-month subscription alignment | 21 |
| 10. | Adding licenses..... | 23 |
| 10.1. | Overview | 23 |
| 10.2. | Adding further licenses into the same subscription | 23 |
| 10.3. | Adding further licenses into a new subscription | 24 |
| 11. | Reducing licenses | 25 |
| 11.1. | Overview | 25 |
| 11.2. | Understanding prorated refunds..... | 25 |
| 11.3. | Canceling 1-month licenses | 26 |
| 11.4. | Canceling 1-year licenses with annual billing | 26 |
| 11.5. | Canceling 1-year licenses with monthly billing..... | 26 |
| 12. | Canceling subscriptions..... | 28 |
| 12.1. | Overview | 28 |
| 12.2. | Understanding prorated refunds..... | 29 |
| 13. | Subscription states..... | 30 |
| 13.1. | Active state | 30 |
| 13.2. | Expired state | 30 |
| 13.3. | Disabled state..... | 30 |
| 13.4. | Deleted state..... | 30 |
| 13.5. | Suspended state..... | 30 |
| 14. | Upgrading licenses | 32 |
| 14.1. | Overview | 32 |
| 14.2. | Some common upgrades | 32 |
| 14.3. | Checking for available upgrades | 33 |
| 14.4. | Upgrade prices | 34 |
| 14.5. | Carrying out an upgrade | 34 |
| 14.6. | Upgrading to a new subscription..... | 36 |
| 14.7. | Upgrading to an existing subscription | 37 |
| 14.8. | Scheduling an upgrade..... | 38 |
| 14.9. | Removing duplicated licenses after an upgrade..... | 38 |
| 14.10. | Promotions and upgrades..... | 38 |

| | | |
|--------|--|----|
| 15. | Add-ons | 40 |
| 15.1. | Overview | 40 |
| 15.2. | Technical vs. licensing prerequisites | 40 |
| 15.3. | Finding the prerequisites for an offer | 40 |
| 15.4. | Purchasing an Add-on license | 41 |
| 15.5. | Add-on license subscription terms and billing frequency..... | 42 |
| 15.6. | Adding and reducing Add-on licenses..... | 43 |
| 15.7. | Add-ons and coterminosity..... | 43 |
| 15.8. | Add-ons and promotions | 43 |
| 15.9. | Add-ons and upgrades | 43 |
| 16. | Coterminosity..... | 45 |
| 16.1. | Overview | 45 |
| 16.2. | Scope of coterminosity | 45 |
| 16.3. | Coterminosity alignment rules..... | 45 |
| 16.4. | Activating coterminosity for a new subscription | 45 |
| 16.5. | Activating coterminosity for an existing subscription | 47 |
| 16.6. | Aligning a new 1-year subscription to an existing 1-year subscription | 48 |
| 16.7. | Aligning a new 3-year subscription to an existing 3-year subscription | 48 |
| 16.8. | Aligning a new 1-month subscription to an existing 1-month subscription..... | 49 |
| 16.9. | Aligning a new 1-year subscription to an existing 3-year subscription | 49 |
| 16.10. | Aligning a new 3-year subscription to an existing 1-year subscription | 50 |
| 16.11. | Aligning a new 1-month subscription to an existing 1- or 3-year subscription | 51 |
| 16.12. | Aligning existing subscriptions to today's date..... | 51 |
| 16.13. | Migrating legacy subscriptions and coterminosity | 52 |
| 17. | Trials..... | 53 |
| 17.1. | Overview | 53 |
| 17.2. | Products available for trials | 53 |
| 17.3. | Creating a trial subscription..... | 53 |
| 17.4. | Automatic trial conversion with default options..... | 54 |
| 17.5. | Automatic trial conversion with customized options | 55 |
| 17.6. | Immediate trial conversion..... | 56 |
| 17.7. | Promotions and trials..... | 57 |
| 18. | SMB offers..... | 58 |

| | | |
|-------|---|----|
| 18.1. | Overview | 58 |
| 18.2. | Business licenses | 58 |
| 18.3. | Checking for restrictions | 58 |
| 18.4. | Restriction enforcement | 58 |
| 19. | Telco offers | 60 |
| 19.1. | Overview | 60 |
| 19.2. | Identifying the telco offers..... | 60 |
| 19.3. | Managing overage | 61 |
| 19.4. | Managing overage across multiple telco offers..... | 62 |
| 19.5. | Managing overage across multiple partners | 62 |
| 19.6. | Pricing, margins and cost management..... | 63 |
| 20. | Home Use Program | 64 |
| 20.1. | Overview | 64 |
| 20.2. | Customer eligibility | 64 |
| 20.3. | Gaining access to the Home Use Program..... | 64 |
| 20.4. | Employee use of the Home Use Program..... | 64 |
| 20.5. | Home Use Program promotional resources | 64 |
| 21. | Migrating legacy subscriptions into the new commerce experience | 65 |
| 21.1. | Overview | 65 |
| 21.2. | Renewing legacy subscriptions | 65 |
| 21.3. | Legacy subscriptions eligible for migration..... | 65 |
| 21.4. | Migrating legacy subscriptions | 65 |
| 21.5. | Migrating legacy subscriptions and coterminosity | 67 |
| 21.6. | Billing for migrated subscriptions | 67 |
| 22. | Promotions..... | 68 |
| 22.1. | Overview | 68 |
| 22.2. | Promotion availability | 68 |
| 22.3. | Promotion eligibility..... | 68 |
| 22.4. | Viewing promotions in Partner Center | 69 |
| 22.5. | Adding licenses..... | 71 |
| 22.6. | Reducing licenses and canceling subscriptions..... | 71 |
| 22.7. | Subscription renewal | 71 |
| 23. | Change log..... | 72 |

1. About the Handbook

This resource was created to be a learning tool for partners in adapting to the seat-based offers in new commerce experience release in the Cloud Solution Provider (CSP) program, the primary Microsoft partner-led purchasing motion for small and medium business customers.

The Handbook focuses on instructing partners on the provisioning, billing, and subscription-management processes involved in selling commercial seat-based (also known as license-based) offers in the new commerce experience. It's intended to sit alongside the Operating Guide and technical/API documentation and complements these resources in the following ways:

- Covering the everyday provisioning scenarios in the new commerce experience
- Explaining how the policy changes (such as cancellation enforcement) introduced in the seat-based offers releases impact how partners sell in CSP
- Providing step-by-step guidance for partners in navigating the placement of orders and management of subscriptions
- Helping partners with transitioning legacy CSP business to the new commerce experience in the ways that best meet customers' needs.

The Handbook content will be updated regularly to reflect additions of new features and functionalities as well as operational and infrastructure improvements in Partner Center and via APIs, so please revisit the [readiness collection](#) on the Partner Network site regularly to ensure you have the most recent edition.

2. What is the new commerce experience?

Partners may have heard or seen it referred to as “modern commerce” in the past. Simply put, the new commerce experience represents the present and future of how Microsoft sells cloud products and services to customers, both directly and through partners. If partners have sold subscriptions for Azure plan, perpetual software, server software, Azure Reserved Instances, or third-party offers or apps through the Cloud Solution Provider (CSP) program, those subscriptions have always been on the new commerce platform. In the most recent new commerce experience releases, Microsoft is expanding the new commerce cloud product portfolio in CSP, introducing seat-based or license-based offers such as M365, D365, Power Platform, and Windows 365.

The new commerce experience simplifies and streamlines how customers buy from Microsoft and offers them more options for tailoring these purchases to their business needs and goals. It also makes the selling process, requirements, and capabilities much more consistent across the Microsoft product ecosystem, with the consolidation of Microsoft purchasing options into three purchasing motions: Enterprise, Self-Serve (Web Direct), and Breadth (CSP).

The recent seat-based offers in CSP new commerce releases bring a number of operational and subscription-management improvements as well as some important policy and pricing changes, including enforcement of a new 168-hour (seven-day) cancellation window, a new monthly term subscription option with premium pricing, restrictions on seat counts across a customer’s SMB subscriptions, add-ons sold separately from base offers, and the continuation of partner billing during subscription suspension. As a result of these changes and upgrades, partners will need to retool and revamp the way they do business in CSP – and this Handbook is designed to guide them in this important transition.

3. Seat-based offers in the new commerce experience

Licenses for products such as Office 365 E3 are User Subscription Licenses – you need one license for each user. These products are also known as seat-based offers or license-based services and include all the Office 365, Microsoft 365, Dynamics 365, and Windows 365 products. It's these commercial products that are now available to be transacted through the new commerce experience in CSP.

If you've been transacting these offers in the original or legacy commerce experience in CSP, then these are the key differences to be aware of as you transact through the new commerce experience:

- Your invoices will be aligned to a calendar month, rather than to your partner billing date (see the [Billing periods and invoices](#) section)
- You can only reduce licenses, or cancel subscriptions, within the first 168 hours after the order is placed or the subscription is renewed (see the [Reducing licenses](#) and [Canceling subscriptions](#) sections)
- There are 1-month subscriptions as well as 1-year subscriptions available for all products (see the [Subscription terms and billing frequency](#) section), with 3-year subscriptions available for some Dynamics 365 products.

4. New commerce experience subscriptions

4.1. Overview

When an order for a license-based service is placed in the new commerce experience, a **subscription** is created. This is essentially a container which holds the licenses that have been ordered. A subscription may only contain a single license type (for example, Office 365 E3) associated with a single term (for example, 1 year) and a single billing frequency (for example, annual). When the subscription is created, it has an end-date (associated with the term), and the current price of the license is taken from the price list and attached to the subscription.

4.2. Creating a new subscription

For the purposes of establishing a typical customer to use in our examples throughout this Handbook, we'll use a fictional SMB company called Margie's Travel that purchases cloud offerings through a CSP partner. Let's imagine that Margie's Travel order 25 1-year term licenses for Office 365 E3 on November 15, 2021. Their partner transacts this order and chooses annual billing, and the following subscription is created:

| Nickname: Office 365 E3 | | | ID: 18b0d7e6-584c-464a-df3e-5b65c0c8e06d | | | |
|---|--------|----------|--|--------|------------|-----------|
| Type | Term | Billing | Cost | State | Auto-renew | End-date |
| O365 E3 | 1 year | Annually | \$192 | Active | On | 14-Nov-22 |
| <div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div></div></div> | | | | | | |

It has a unique, system-generated ID which may not be changed. It also has a nickname which can be changed if you want to give the subscription a name that means something more to you.

4.3. Making changes to subscriptions

Once a subscription has been created, changes may be made to it during its term. The following table summarizes which changes may be made midterm and shows you where to find more information:

| Change | Allowed? | Detail |
|----------------------|---------------------------------------|--|
| Add licenses | Yes, at any time | Adding licenses section |
| Remove licenses | Yes, in first 168 hours | Reducing licenses section |
| Upgrade license type | Yes, to specific, eligible upgrades | Upgrading licenses section |
| Change term | Yes, to a longer term where available | See Subscription terms and billing frequency section |

| | | |
|--------------------------|--------------------|---|
| Change billing frequency | Yes, in some cases | See Subscription terms and billing frequency section |
| Turn auto-renew off | Yes | Edit the subscription in Partner Center and uncheck the auto-renew option |
| Adjust end-date | No | Automatically calculated, and not changeable by a user or API |

4.4. Price protection

If additional licenses are added at any time to a subscription the partner is charged the same price as the original licenses. Thus, the partner has price protection for the duration of the subscription. Partners are charged on a prorated basis when licenses are added: see the [Adding licenses](#) section for more detail.

4.5. Cotermious licenses

If licenses are added at any time to a subscription, they will have the end-date of the subscription. Thus, all licenses in the subscription will renew at the same time. This is different to [cotermiosity](#) when the end-date of a subscription is changed to align with another subscription. See the [Cotermiosity](#) section for more detail.

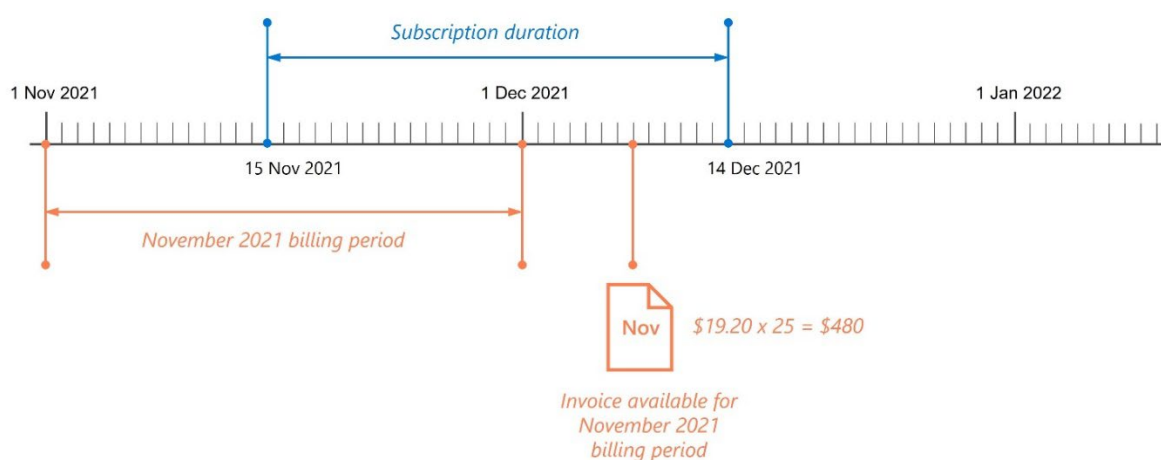
5. Billing periods and invoices

5.1. Overview

The billing period in the new commerce experience is a calendar month, and invoices are available early in the following month – typically between the 6th and the 8th of the month.

5.2. 1-month licenses

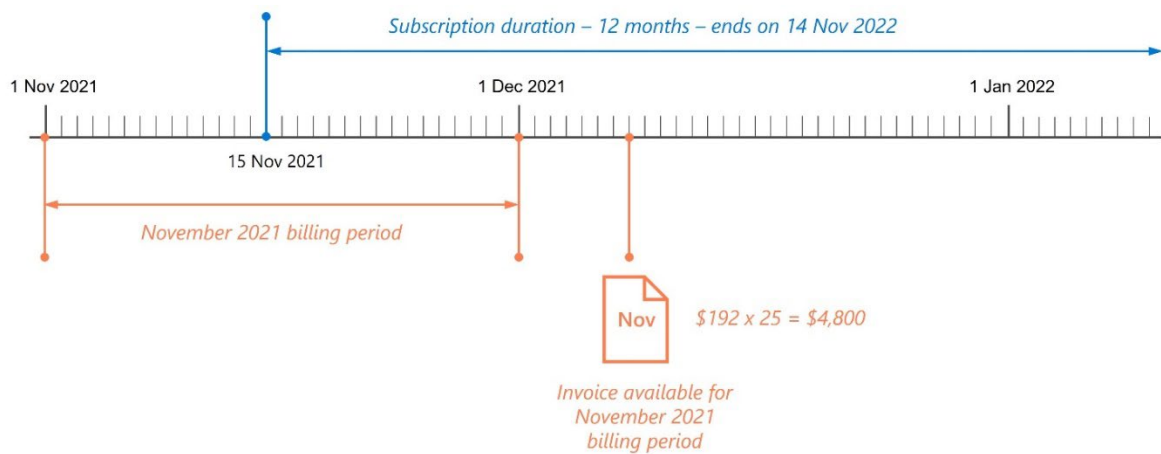
Let's imagine that Margie's Travel order (and their partner transacts) 25 1-month term licenses for a single month for Office 365 E3 on November 15, 2021. The diagram below shows the relationship between a 1-month subscription term or duration, and the billing period:



When the partner transacts the order for the 25 1-month term licenses a subscription is created. This starts on November 15, 2021, and has an end-date of December 14, 2021, and is shown as the blue line on the diagram above. The November 2021 billing period runs from November 1, 2021, to November 30, 2021, and is shown as the orange line on the diagram above. The partner needs to make a single payment for the 25 licenses, and this is, in effect, due at the start of the subscription. However, it would be inconvenient for partners to receive an invoice every time an order is placed, and so any orders that are placed in November are billed on the November invoice. Thus, the November invoice includes the full charge for the 25 licenses ($\$19.20 \times 25 = \480). There is NO prorating involved – the partner is NOT charged 16 days on the November invoice, and 14 days on the December invoice, for example.

5.3. 1-year licenses

Let's take a similar scenario to the first section, but this time we'll make them 1-year licenses that Margie's Travel want. This diagram shows the relationship between a 1-year subscription term and the billing period:



Annual billing

As before, when the partner transacts the order for the 25 1-year licenses a subscription is created. This starts on November 15, 2021, and has an end-date of November 14, 2022, and is shown as the blue line on the diagram above. The November 2021 billing period runs from November 1, 2021, to November 30, 2021, and is shown as the orange line on the diagram above. The partner needs to make a single payment for the 25 licenses and, as before, this is, in effect, due at the start of the subscription. Any orders that are placed in November are billed on the November invoice. Thus, the November invoice includes the full charge for the 25 licenses ($\$192 \times 25 = \$4,800$). There is NO prorating involved – the partner is NOT charged 16 days on the November invoice, and the remainder of the year on the December invoice, for example.

Monthly billing

If the partner had chosen monthly billing, then the total amount ($\$192$) is divided by 12 ($\16) and the partner is charged $\$16 \times 25 = \400 on the November invoice, and this same amount on the next eleven monthly invoices.

Note that a partner may choose to be billed annually and bill the customer monthly, or to be billed monthly and bill the customer annually. Both decisions are at a partner's discretion and are not linked.

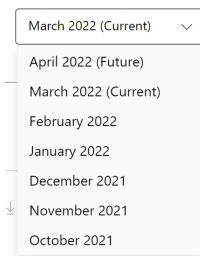
6. New commerce experience price list

6.1. Overview

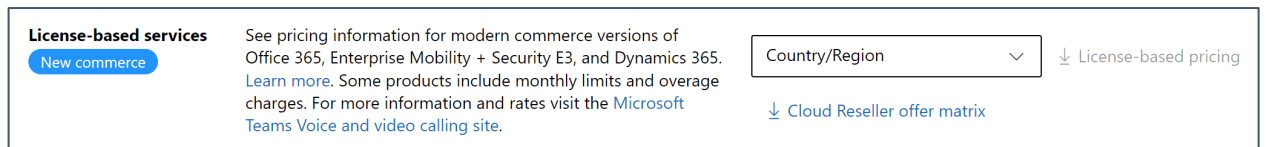
Price lists for the seat-based offers in the new commerce experience are released on the first of each month, with a preview available the month before. Previous price lists are also available.

6.2. Downloading the price list

In Partner Center navigate to the [Price lists](#) page in the [Pricing](#) section. Choose the month at the top right of the screen:



The price list for the new commerce experience seat-based offers is shown below:



You must choose a [Country/Region](#) before you are able to download the price list. This should be the country where your customer is situated. You will only be able to view pricing for the regions into which you are authorized to sell.

6.3. Price list currencies

The base currency that all of Microsoft's license-based products are priced in is the US Dollar. However, local currency price lists are produced for partners transacting in regions that do not use the US Dollar.

Price lists in another currency use an exchange rate to convert from the original US Dollar price. However, unlike the pricing for consumption services under the Azure plan which is generated from the current exchange rate at the beginning of each month, the license-based services use a fixed exchange rate which is only changed occasionally if realignment between currencies is required.

Note that if you are a partner able to sell into a region that uses multiple currencies (for example, the Europe region) you will see prices for each SKU for each currency. Let's imagine that a Swedish partner needs to sell to a UK customer. The partner would download the UK price list, and that's shown below, filtered just for 1-month term licenses for Office 365 E3:

| | A | B | H | I | J | K | L |
|------|---------------|---------------|--------------|-------------|--------|----------|-----------|
| 1 | ProductTitle | Product | TermDuration | BillingPlan | Market | Currency | UnitPrice |
| 4880 | Office 365 E3 | CFQ7TTC0L P1M | Monthly | GB | SEK | | 195.77 |
| 4883 | Office 365 E3 | CFQ7TTC0L P1M | Monthly | GB | NOK | | 195.7 |
| 4886 | Office 365 E3 | CFQ7TTC0L P1M | Monthly | GB | CHF | | 22.05 |
| 4889 | Office 365 E3 | CFQ7TTC0L P1M | Monthly | GB | DKK | | 140.73 |
| 4892 | Office 365 E3 | CFQ7TTC0L P1M | Monthly | GB | GBP | | 16.9 |
| 4895 | Office 365 E3 | CFQ7TTC0L P1M | Monthly | GB | EUR | | 18.89 |

The **Market** is the UK – that’s where the customer is based, and the Swedish partner can see what he will be charged in SEK when he sells to a UK customer. A partner in the Eurozone would use the same price list to sell to a UK customer, but will be charged the EUR amount.

6.4. Understanding the SKUs

The snippet below shows a USD price list opened in Excel and filtered to show only Office 365 E3 entries available in November 2021. The **ProductId**, **Skuld**, **SkuTitle**, **TermDuration** and **BillingPlan** combine to differentiate the four different offers available:

| | B | C | D | H | I | K | L | Q |
|-----|--------------|-------|---------------|--------------|-------------|----------|-----------|------------------|
| 1 | ProductId | Skuld | SkuTitle | TermDuration | BillingPlan | Currency | UnitPrice | Tags |
| 653 | CFQ7TTC0LF8R | 8 | Office 365 E3 | P1M | None | USD | | 0 License; Trial |
| 654 | CFQ7TTC0LF8R | 1 | Office 365 E3 | P1M | Monthly | USD | 19.2 | License |
| 655 | CFQ7TTC0LF8R | 1 | Office 365 E3 | P1Y | Annual | USD | 192 | License |
| 656 | CFQ7TTC0LF8R | 1 | Office 365 E3 | P1Y | Monthly | USD | 192 | License |

The first row is the trial offer (see the **Trials** section for more details) which has a term of 1 month, no billing plan associated with it, and a price of 0.

The second row is the 1-month offer which of course has a billing plan of monthly. The price of this offer is generated from the annual price (see the third row) of \$192, divided by 12, and increased by 20%. Thus, $\$192 / 12 \times 1.2 = \19.20 . The premium of 20% is added to allow customers to make a very short commitment (1 month) to a product.

The third row is the 1-year offer with an annual billing plan. This means that the \$192 will be charged upfront as a single payment.

The fourth row is the 1-year offer with a monthly billing plan. The total cost for the license is the amount shown (\$192), but the partner will be charged $\$192 / 12 = \16 each month.

7. New commerce experience Offer Matrix

7.1. Overview

The Offer Matrix is released every month and is a companion spreadsheet to the price list. It is useful in the following scenarios:

- Finding the prerequisites for an Add-on offer
- Seeing what offers a particular SKU may be upgraded to
- Understanding what products have a maximum number of licenses able to be purchased

7.2. Downloading the Offer Matrix

In Partner Center navigate to the **Price lists** page in the **Pricing** section. The Offer Matrix is shown in the section below:

License-based services
New commerce

See pricing information for modern commerce versions of Office 365, Enterprise Mobility + Security E3, and Dynamics 365. [Learn more](#). Some products include monthly limits and overage charges. For more information and rates visit the [Microsoft Teams Voice and video calling site](#).

Country/Region ▼

[License-based pricing](#)

[Cloud Reseller offer matrix](#)

Click on the **Cloud Reseller offer matrix** option to download this file which is the same for all partners in all regions.

7.3. Finding the prerequisites for an Add-on offer

The picture below shows the Offer Matrix spreadsheet filtered for Teams Phone Standard with the **ProductSKUPreRequisites** column expanded:

| 1 | ProductTitle | Productid | Skuld | SkuTitle | ProductSKUPreRequisites |
|---|--------------------------------|--------------|-------|--------------------------------|---|
| | Microsoft Teams Phone Standard | CFQ7TTCOLH0T | 1 | Microsoft Teams Phone Standard | CFQ7TTC0JN4R/0002,CFQ7TTC0LCHC/0002,CFQ7TTC0LDPB/0001,CFQ7TTC0LF8P/0001,CFQ7TTC0LF8Q/0001,CFQ7TTC0LF8Q/0002,CFQ7TTC0LF8R/0001,CFQ7TTC0LF8R/0002,CFQ7TTC0LF8R/0001,CFQ7TTC0LGZW/0001,CFQ7TTC0LGZW/0002,CFQ7TTC0LH05/0001,CFQ7TTC0LH09/0001,CFQ7TTC0LH0F/0001,CFQ7TTC0LH0G/0001,CFQ7TTC0LH0M/0001,CFQ7TTC0LH0P/0001,CFQ7TTC0LH15/0001,CFQ7TTC0LH18/0001,CFQ7TTC0LH5K/0001,CFQ7TTC0MBMD/0001,CFQ7TTC0MBMD/0002 |

This column lists all of the products that could be present on the tenant to allow a purchase of Teams Phone Standard, which you can identify using the price list.

7.4. Seeing what offers a particular SKU may be upgraded to

The picture below shows the Offer Matrix filtered for Office 365 E3, with the **ProductSKUConversion** column expanded:

8. Subscription terms and billing frequency

8.1. Overview

Partners sell licenses for the seat-based offers which are mainly User Subscription Licenses (User SLs). These licenses have a duration, or term, which is the period during which the user to whom the license has been assigned can access the services. The billing frequency is the schedule on which the partner is invoiced for the licenses.

8.2. License terms

The new commerce experience supports 1-month, 1-year and 3-year terms for licenses but not all terms are available for all products. Generally speaking, 1-month and 1-year subscriptions are available for Microsoft 365 products, and 1-month, 1-year and 3-year subscriptions are available for Dynamics 365 products. You should consult the price list to see exactly which term durations are available for which products.

8.3. Billing frequency

The new commerce experience supports monthly, annual, and triennial billing. Partners can choose a billing frequency dependent on the subscription term, as shown in the table below:

| Subscription term | Billing frequency options |
|-------------------|-------------------------------|
| 1 month | Monthly |
| 1 year | Monthly or annual |
| 3 years | Monthly, annual, or triennial |

The billing frequency is initially chosen when the licenses are transacted. See the [Billing periods and invoices](#) section for information on when transactions are included in invoices.

8.4. Changing term duration and billing frequency midterm

You may be able to change the billing frequency midterm, dependent on the current billing frequency, the license term, and the billing frequency you want to move to. If an option is not available, then you may be able to schedule the change to occur at renewal, as detailed in the [Scheduling changes to term duration and billing frequency at renewal](#) section.

9. 1-month subscriptions

9.1. Overview

A 1-month subscription is aimed at customers who don't want to commit to a full 12 months. They are available for the vast majority of products, and you should consult the price list to check exact availability.

9.2. Pricing

1-month subscriptions are priced at a premium because a customer is not required to make a long-term commitment. The monthly prices are calculated by taking the annual price for the same product, dividing it by 12, and then increasing it by 20%.

For example, the annual price of the 1-year SKU for Office 365 E3 is \$220.80

Dividing by 12 gives: $\$220.80 / 12 = \18.40

Increasing by 20% gives: $\$18.40 \times 1.2 = \22.08

If you filter the price list by Office 365 E3 you will see the 1-month and 1-year SKUs and these prices:

| | B | C | D | H | I | K | L | Q |
|-----|--------------|-------|---------------|--------------|-------------|----------|-----------|---------------|
| 1 | ProductId | Skuld | SkuTitle | TermDuration | BillingPlan | Currency | UnitPrice | Tags |
| 816 | CFQ7TTCOLF8R | 8 | Office 365 E3 | P1M | None | USD | 0 | License;Trial |
| 817 | CFQ7TTCOLF8R | 1 | Office 365 E3 | P1M | Monthly | USD | 22.08 | License |
| 818 | CFQ7TTCOLF8R | 1 | Office 365 E3 | P1Y | Monthly | USD | 220.8 | License |
| 819 | CFQ7TTCOLF8R | 1 | Office 365 E3 | P1Y | Annual | USD | 220.8 | License |

Sometimes you will see the 1-year SKU positioned as a saving of 16.7% over the 1-month SKU for a full year. This is how that number is derived:

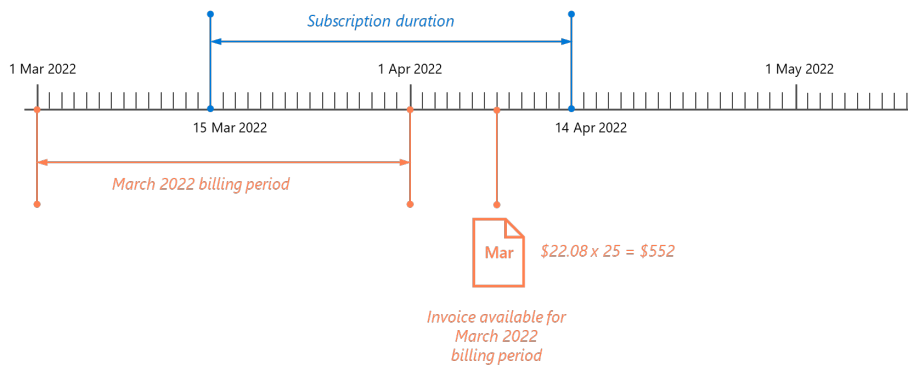
Calculate the annual price of the 1-month SKU: $12 \times \$22.08 = \264.96

Divide the annual prices of the 1-year and 1-month SKUs: $\$220.80 / \$264.96 = 0.833$

Thus, the 1-year SKU is 83.3% of the amount of the 1-month SKU, representing a 16.7% saving.

9.3. Billing

Let's imagine that Margie's Travel order (and their partner transacts) 25 1-month term licenses for a single month for Office 365 E3 on March 15, 2022. The diagram below shows the relationship between a 1-month subscription term, and the new commerce experience billing period:



When the partner transacts the order for the 25 1-month term licenses a subscription is created. This starts on March 15, 2022, and has an end-date of April 14, 2022, and is shown as the blue line on the diagram above. The March 2022 billing period runs from March 1, 2022, to March 31, 2022, and is shown as the orange line on the diagram above. The partner needs to make a single payment for the 25 licenses, and this is due at the start of the subscription. However, it would be inconvenient for partners to receive an invoice every time an order is placed, and so any orders that are placed in March are billed on the March invoice. Thus, the March invoice includes the full charge for the 25 licenses ($\$22.08 \times 25 = \552). There is NO prorating involved – the partner is NOT charged 17 days on the March invoice, and 14 days on the April invoice, for example.

9.4. Term

Generally speaking, a 1-month subscription has the same number of days as the month in which it was purchased. For example:

- A 1-month subscription purchased on June 15, 2022, has 30 days
- A 1-month subscription purchased on July 4, 2022, has 31 days

Again, generally speaking, the end-date of a 1-month subscription follows the usual rules, taking 1 off the start-date day number, and adding 1 on to the start-date month number. For example:

- A 1-month subscription purchased on June 15, 2022, has an end-date of July 14, 2022
- A 1-month subscription purchased on July 4, 2022, has an end-date of August 3, 2022

The start-dates of subsequent subscriptions are aligned if auto-renew is turned on and the subscriptions renew at the end of their term. For example:

- The first subscription above will renew on July 15 and then on August 15 and September 15, etc.

- The second subscription will renew on August 4 and then on September 4 and October 4, etc.

9.5. 1-month subscription end-date exceptions

In the section above we looked at what happens with the terms of 1-month subscriptions in the vast majority of cases. However, there are two key exceptions to be aware of.

The first occurs when a 1-month subscription is purchased on the last day of a 31-day month which is followed by a 30-day month – a 1-month subscription purchased on August 31, 2022, for example. When would the next subscription start if auto-renew was turned on? There is no September 31, 2022, so the initial subscription can't end on September 30, 2022. Instead, it ends on September 29, and this is the general rule: when a 1-month subscription is purchased on the last day of a 31-day month which is followed by a 30-day month, the subscription ends on the 29th, not the 30th of the month. Here are all the months where this exception applies:

| Start date | End date |
|-------------|-------------|
| 31-Mar-2022 | 29-Apr-2022 |
| 31-May-2022 | 29-Jun-2022 |
| 31-Aug-2022 | 29-Sep-2022 |
| 31-Oct-2022 | 29-Nov-2022 |

The second exception occurs in a specific situation involving February. 1-month subscriptions purchased on any date in February behave in an expected way – in a non-leap year they will have 28 days and in a leap year they will have 29 days. However, the exceptions arise when you purchase a 1-month subscription on the 29th, 30th or 31st of January. In all of these cases the end-date of the subscription is February 27 and, if it's a leap year, then the end-date is February 28.

Here's a useful summary table of the end-dates of 1-month subscriptions when they are purchased on the last day of the month (and January 29/30), with the exceptions shown in red:

| Start date | End date |
|-------------|-------------|
| 29-Jan-2022 | 27-Feb-2022 |
| 30-Jan-2022 | 27-Feb-2022 |
| 31-Jan-2022 | 27-Feb-2022 |
| 28-Feb-2022 | 27-Mar-2022 |
| 31-Mar-2022 | 29-Apr-2022 |
| 30-Apr-2022 | 29-May-2022 |
| 31-May-2022 | 29-Jun-2022 |
| 30-Jun-2022 | 29-Jul-2022 |
| 31-Jul-2022 | 30-Aug-2022 |
| 31-Aug-2022 | 29-Sep-2022 |
| 30-Sep-2022 | 29-Oct-2022 |
| 31-Oct-2022 | 29-Nov-2022 |
| 30-Nov-2022 | 29-Dec-2022 |
| 31-Dec-2022 | 30-Jan-2023 |

9.6. Longer-term 1-month subscription alignment

If a 1-month subscription is purchased on the 29th, 30th or 31st of a month and has auto-renew turned on, it will eventually align to a start-date of the 28th as you can see in the tables below. The red lines indicate where exceptional behavior occurs:

| Start date | End date |
|-------------|-------------|
| 29-Oct-2022 | 28-Nov-2022 |
| 29-Nov-2022 | 28-Dec-2022 |
| 29-Dec-2022 | 28-Jan-2023 |
| 29-Jan-2023 | 27-Feb-2023 |
| 28-Feb-2023 | 27-Mar-2023 |
| 28-Mar-2023 | 27-Apr-2023 |

| Start date | End date |
|-------------|-------------|
| 30-Oct-2022 | 29-Nov-2022 |
| 30-Nov-2022 | 29-Dec-2022 |
| 30-Dec-2022 | 29-Jan-2023 |
| 30-Jan-2023 | 27-Feb-2023 |
| 28-Feb-2023 | 27-Mar-2023 |
| 28-Mar-2023 | 27-Apr-2023 |

| Start date | End date |
|-------------|-------------|
| 31-Oct-2022 | 29-Nov-2022 |
| 30-Nov-2022 | 29-Dec-2022 |
| 30-Dec-2022 | 29-Jan-2023 |
| 30-Jan-2023 | 27-Feb-2023 |
| 28-Feb-2023 | 27-Mar-2023 |
| 28-Mar-2023 | 27-Apr-2023 |

If a 1-month and a 1-year subscription are purchased on the 29th, 30th or 31st of a month they will NOT align in 12 months' time. Consider a subscription purchased on October 31, 2022 – a 1-year subscription will end on October 30, 2023, but a repeatedly purchased 1-month subscription ends on October 27, 2023, as shown in the table below:

| Start date | End date |
|-------------|-------------|
| 31-Oct-2022 | 29-Nov-2022 |
| 30-Nov-2022 | 29-Dec-2022 |
| 30-Dec-2022 | 29-Jan-2023 |
| 30-Jan-2023 | 27-Feb-2023 |
| 28-Feb-2023 | 27-Mar-2023 |
| 28-Mar-2023 | 27-Apr-2023 |
| 28-Apr-2023 | 27-May-2023 |
| 28-May-2023 | 27-Jun-2023 |
| 28-Jun-2023 | 27-Jul-2023 |
| 28-Jul-2023 | 27-Aug-2023 |
| 28-Aug-2023 | 27-Sep-2023 |
| 28-Sep-2023 | 27-Oct-2023 |

As long as a 1-month and a 1-year subscription are NOT purchased on the 29th, 30th, or 31st day of a month they WILL align in 12 months' time. Consider a subscription purchased on October 15, 2022 – a 1-year subscription will end on October 14, 2023, as will a repeatedly purchased 1-month subscription as shown in the table below:

| Start date | End date |
|-------------|-------------|
| 15-Oct-2022 | 14-Nov-2022 |
| 15-Nov-2022 | 14-Dec-2022 |
| 15-Dec-2022 | 14-Jan-2023 |
| 15-Jan-2023 | 14-Feb-2023 |
| 15-Feb-2023 | 14-Mar-2023 |
| 15-Mar-2023 | 14-Apr-2023 |
| 15-Apr-2023 | 14-May-2023 |
| 15-May-2023 | 14-Jun-2023 |
| 15-Jun-2023 | 14-Jul-2023 |
| 15-Jul-2023 | 14-Aug-2023 |
| 15-Aug-2023 | 14-Sep-2023 |
| 15-Sep-2023 | 14-Oct-2023 |

10. Adding licenses


10.1. Overview

When a customer needs additional licenses for a product they have previously ordered, these licenses may be added into an existing subscription, or an entirely new subscription can be created for the additional licenses. There are benefits to both ways of adding licenses, as explained in the sections below.

10.2. Adding further licenses into the same subscription

There are two benefits of adding further licenses into the same subscription: the price is the same for the partner, and the end-date of all the individual licenses is controlled by the end-date of the subscription, and thus they all align from a renewal perspective.

Let's imagine that Margie's Travel ordered 25 1-year term licenses for Office 365 E3 on November 15, 2021. The subscription below would have been created:

| Nickname: Office 365 E3 | | | ID: 18b0d7e6-584c-464a-df3e-5b65c0c8e06d | | | |
|--|--------|----------|--|--------|------------|-----------|
| Type | Term | Billing | Cost | State | Auto-renew | End-date |
| O365 E3 | 1 year | Annually | \$192 | Active | On | 14-Nov-22 |
|  | | | | | | |

If, on March 18, 2022, Margie's Travel want another 5 licenses, the partner can simply edit this subscription and change the number of licenses in it to 30. There is just one end-date when all licenses will need renewing (14-Nov-22) and the price is known (\$192) and is protected from the price rise that will have happened on March 1, 2022.

But what is the partner actually charged, and when?

The partner is billed for the remaining days in the subscription on the next monthly invoice, using this formula for proration:

$$\frac{\text{Days left}}{\text{Total days}} \times \text{Unit cost} \times \text{Number of licenses}$$

In this scenario there are 242 days left in the subscription and there are 365 days in the subscription – there is no February 29 included in the subscription term. The unit cost is taken from the existing subscription (\$192) and 3 licenses are being added, thus the charges that will be included within the March invoice are:

$$(242/365) \times \$192 \times 3 = \$381.90$$

10.3. Adding further licenses into a new subscription

If you transact a new order for Office 365 E3 licenses for Margie's Travel, you'll create a new subscription for those licenses. This could be useful if Margie's Travel want to buy licenses for a new department and you want to invoice that department separately. This new subscription operates completely separately from the original subscription, has a different end-date, and can be suspended separately if required. Note that the price for a new subscription is always taken from the current price list, so if the new licenses were required on March 18, 2022, the price would include the price increase as well as the active promotion.

11. Reducing licenses

11.1. Overview

When new licenses are ordered they are either added to an existing subscription, or a brand new subscription is created for the licenses – see the [Adding licenses](#) section above. The number of licenses in either case may be reduced in the first 168 hours, with a prorated refund available. To do this via Partner Center the partner would simply edit the subscription and reduce the number of licenses to the required number.

When you edit the subscription in Partner Center you can use the [View licenses to reduce](#) option:

Quantity *

Licenses

Important: You can only reduce the seat quantity within the cancellation window.

[View licenses to reduce](#)

This will show you the licenses you can reduce and the deadline for when this must be done. You can see in the picture below that the licenses were purchased at different times and thus the cancellation periods are different:

Licenses available for reduction

License reduction is only allowed within 7 days of purchasing new licenses on the subscription. View the total quantity currently eligible for reduction and the specific cancellation windows below.

Total Quantity: 3

- 1 seats by Wednesday, April 13, 2022, 3:18 PM GMT+1
- 2 seats by Wednesday, April 13, 2022, 3:25 PM GMT+1

Note that if the number of licenses needs to be reduced to zero, then the subscription must be canceled – see the [cancellation](#) section below.

11.2. Understanding prorated refunds

When a new license is purchased, a 168-hour time period starts (regardless of time zone) during which the purchase of that license may be canceled, with the partner being refunded on a prorated basis. 100% of the license fee is refunded in the first 24 hours, the full amount minus 1 day's charge in the second 24 hours, the full amount minus 2 days' charges in the third 24 hours, and so on up to 168 hours. There are no refunds available after the initial 168-hour period.

You always use the formula below for proration, and scenarios in the following sections show how the proration works with different license terms and billing preferences:

$$\frac{\text{Days left}}{\text{Total days}} \times \text{Unit cost} \times \text{Number of licenses}$$

11.3. Canceling 1-month licenses

Let's imagine that Margie's Travel order 25 1-month term licenses for Office 365 E3 on November 15, 2021, at 3:45pm local time. Their partner transacts the order immediately. Then, on November 16, 2021, at 5:00pm local time Margie's Travel want to cancel 3 licenses. Again, their partner transacts that order immediately.

In this scenario there is a total of 30 days in the subscription period because the subscription started in November, a month which has 30 days. The customer wants to cancel the 3 licenses in the second 24-hour period which means that there are 29 days left in the subscription period. The unit cost is taken from the existing subscription (\$19.20) and 3 licenses are being removed. Thus, using the formula above, the refund that is due is:

$$(29/30) \times \$19.20 \times 3 = \$55.68$$

The partner could consult the recon file to see the original charge of $25 \times \$19.20 = \480 , and the refund line for \$55.68. The net amount of \$424.32 will be included within the total charges on their November invoice.

11.4. Canceling 1-year licenses with annual billing

We'll take the same example as we used in the previous section but change the scenario to be 1-year licenses with annual billing, rather than 1-month term licenses.

In this scenario there is a total of 365 days in the subscription because the subscription does not include a February 29. There are 364 days left in the subscription period since the licenses need to be reduced in the second 24-hour period. The unit cost is taken from the existing subscription (\$192) and 3 licenses are being removed. Thus, using the formula above, the refund that is due is:

$$(364/365) \times \$192 \times 3 = \$574.42$$

The partner could consult the recon file to see the original charge of $25 \times \$192 = \$4,800$, and the refund line for \$574.42. The net amount of \$4,225.58 will be included within the total charges on the November invoice.

11.5. Canceling 1-year licenses with monthly billing

Again, let's take the same example as we used in section 2.3 but change the scenario to be 1-year licenses with monthly billing, rather than monthly term licenses.

This scenario is slightly different from the two scenarios above: the total days is the number of days in the first billing period – in this case it's 30 days because the billing period started in November, a month which has 30 days, and there are 29 days left in the billing period, as the licenses are being reduced in the second 24-hour period. The unit cost is the monthly cost of the 1-year licenses, so $\$192/12 = \16 . The number of licenses being removed is again 3. Thus, using the formula above, the refund that is due is:

$$(29/30) \times \$16 \times 3 = \$46.40$$

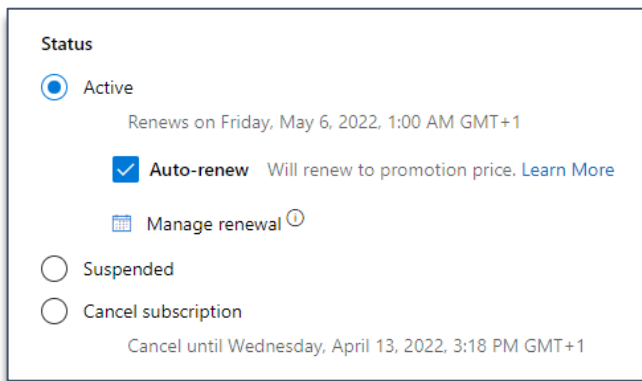
The partner could consult the recon file to see the original charge of $25 \times \$16 = \400 , and the refund line for \$46.40. The net amount of \$353.60 will be included within the total charges on the November invoice.

12. Canceling subscriptions


12.1. Overview

A subscription should be canceled when a customer does not need any of the licenses in that subscription. See the [Reducing licenses](#) section above for when a customer just wants to remove some of the licenses in a subscription. In both instances, refunds to the partner are available within the first 168 hours.

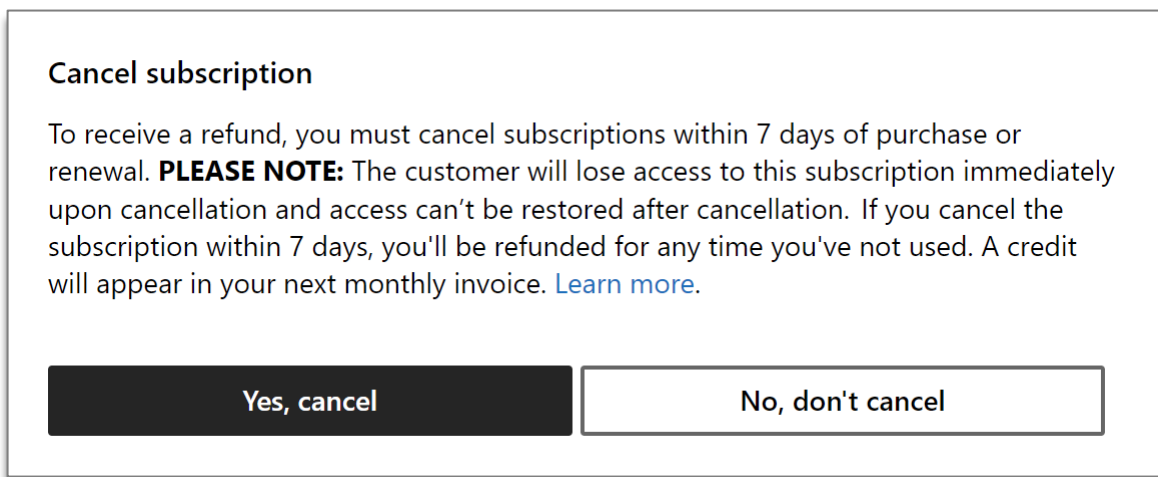
To cancel a subscription via Partner Center you need to edit the subscription and then click on the [Cancel subscription](#) option. You can see the deadline for canceling the subscription as shown below:



The screenshot shows a dialog box titled "Status". It contains the following elements:

- ☒ **Active**
Renews on Friday, May 6, 2022, 1:00 AM GMT+1
- ☒ **Auto-renew** Will renew to promotion price. [Learn More](#)
-  **Manage renewal** ⓘ
- ☐ **Suspended**
- ☐ **Cancel subscription**
Cancel until Wednesday, April 13, 2022, 3:18 PM GMT+1

You need to confirm the cancellation in the next dialog box that appears:



The screenshot shows a dialog box titled "Cancel subscription". It contains the following text:

To receive a refund, you must cancel subscriptions within 7 days of purchase or renewal. **PLEASE NOTE:** The customer will lose access to this subscription immediately upon cancellation and access can't be restored after cancellation. If you cancel the subscription within 7 days, you'll be refunded for any time you've not used. A credit will appear in your next monthly invoice. [Learn more.](#)

At the bottom, there are two buttons:

- Yes, cancel** (highlighted in dark gray)
- No, don't cancel** (white with a gray border)

When the subscription is canceled, it enters the Deleted state where the licenses are not available to the customer or partner, and any associated data is deleted.

Note that the cancellation of a subscription cannot be reversed.

12.2. Understanding prorated refunds

When a new subscription is created, a 168-hour time period starts (regardless of time zone) during which the subscription may be canceled, with the partner being refunded on a prorated basis. 100% of the charges are refunded in the first 24 hours, the full amount minus 1 day's charge in the second 24 hours, and the full amount minus 2 days' charges in the third 24 hours, and so on up to 168 hours. There are no refunds available after the initial 168-hour period.

The scenarios in the [Reducing licenses](#) section show how the proration works with different license terms and billing preferences.

13. Subscription states

All subscriptions are in one of five states: Active, Expired, Suspended, Disabled, or Deleted.

13.1. Active state

This is the usual state for a subscription that has not reached its end-date. Users can access files and services, and administrators can access data. Partners are billed according to their chosen billing frequency for all subscriptions in the Active state.

13.2. Expired state

If a subscription comes to the end of its term and is not auto-renewed, then it automatically moves from the Active state into the Expired state. This state lasts for 30 days. It's also known as a grace period since users can continue to access files and services, and administrators can access data. A partner is not billed for subscriptions in the Expired state.

It is not possible to move a subscription from the Expired state back to the Active state, the partner must order the required licenses as a new purchase.

13.3. Disabled state

A subscription in the Expired state automatically moves to the Disabled state after 30 days. This state lasts for 90 days, and users can NOT access files and services, but administrators can access data. A partner is not billed for subscriptions in the Disabled state.

13.4. Deleted state

In this final state all customer data is deleted permanently. There are two ways that a subscription may enter this state:

- A subscription in the Disabled state automatically moves to the Deleted state after 90 days
- If a partner cancels a subscription, then it is immediately moved to the Deleted state. There is no way to reverse the action of cancellation

13.5. Suspended state

If a partner suspends a subscription, then it enters the Suspended state. The purpose of the Suspend function is to help in dunning scenarios since users cannot access files and services, although administrators can access data. Partners continue to be billed when a subscription is Suspended.

A partner can change the state of a Suspended subscription to Active again at any time whereby users will be able to access files and services again.

This state lasts for as long as the partner suspends a subscription or until the end of the term of the subscription. If a subscription is still in a Suspended state at the end of its term it will enter the Disabled state and then move to the Deleted state after 90 days.

14. Upgrading licenses

14.1. Overview

Upgrades are available in the new commerce experience so that a customer may move from one offer to another eligible offer before the renewal date of the initial subscription. Note that it's not possible to go from ANY offer to ANY other one, rather you need to choose from a list of eligible upgrades that are allowed by the system.

Legacy subscriptions must be migrated to the new commerce experience before they can be upgraded, and partners may not upgrade a subscription purchased through another partner.

14.2. Some common upgrades

Here's a list of some of the most common upgrades that are available; see the next section for how to check for a complete list:

| Initial licenses | Eligible upgrades |
|---------------------------------|---|
| Microsoft 365 Business Basic | Microsoft 365 Business Standard Microsoft 365 Business Premium Office 365 E1 Office 365 E3 Office 365 E5 Office 365 E5 without Audio Conferencing Microsoft 365 E3 Microsoft 365 E3 - Unattended License Microsoft 365 E5 |
| Microsoft 365 Business Standard | Microsoft 365 Business Premium Office 365 E1 Office 365 E3 Office 365 E5 Office 365 E5 without Audio Conferencing Microsoft 365 E3 Microsoft 365 E3 - Unattended License Microsoft 365 E5 |
| Microsoft 365 Business Premium | Microsoft 365 E3 Microsoft 365 E3 - Unattended License Microsoft 365 E5 |
| Microsoft 365 F1 | Microsoft 365 F3 Microsoft 365 E3 Microsoft 365 E3 - Unattended License Microsoft 365 E5 |
| Microsoft 365 F3 | Microsoft 365 E3 Microsoft 365 E3 - Unattended License |

| Initial licenses | Eligible upgrades |
|------------------|---|
| | Microsoft 365 E5 |
| Microsoft 365 E3 | Microsoft 365 E3 - Unattended License Microsoft 365 E5 |
| Microsoft 365 E5 | None |
| Office 365 F3 | Microsoft 365 Business Basic Microsoft 365 Business Standard Office 365 E1 Office 365 E3 Office 365 E5 Office 365 E5 without Audio Conferencing Microsoft 365 E3 Microsoft 365 E3 - Unattended License Microsoft 365 E5 |
| Office 365 E1 | Office 365 E3 Office 365 E5 Office 365 E5 without Audio Conferencing Microsoft 365 E3 Microsoft 365 E3 - Unattended License Microsoft 365 E5 |
| Office 365 E3 | Office 365 E5 Office 365 E5 without Audio Conferencing Microsoft 365 E3 Microsoft 365 E3 - Unattended License Microsoft 365 E5 |
| Office 365 E5 | Microsoft 365 E5 |
| EMS E3 | None |
| EMS E5 | None |

14.3. Checking for available upgrades

To check the availability of upgrades for a product, you should use the [Offer Matrix](#). Here you can see that Excel spreadsheet filtered for Office 365 E3, with the [ProductSKUConversion](#) column expanded:

| | A | B | C | D | G | H | L |
|-----|---------------|--------------|------|---------------|----------|----------|---|
| 1 | ProductTitle | ProductId | Skus | SkusTitle | MinLicen | MaxLicen | ProductSkuConversion |
| 264 | Office 365 E3 | CFQ7TTCOLF8R | 1 | Office 365 E3 | 1 | 10000000 | CFQ7TTCOLF8P/0001,CFQ7TTCOLF8R/0001,CFQ7TTCOLF8S/0001,CFQ7TTCOLF8S/0002,CFQ7TTCOLF8S/0003,CFQ7TTCOLF8S/0004,CFQ7TTCOLF8S/0005,CFQ7TTCOLF8S/0006,CFQ7TTCOLF8S/0007,CFQ7TTCOLF8S/0008,CFQ7TTCOLF8S/0009,CFQ7TTCOLF8S/0010,CFQ7TTCOLF8S/0011,CFQ7TTCOLF8S/0012,CFQ7TTCOLF8S/0013,CFQ7TTCOLF8S/0014,CFQ7TTCOLF8S/0015,CFQ7TTCOLF8S/0016,CFQ7TTCOLF8S/0017,CFQ7TTCOLF8S/0018,CFQ7TTCOLF8S/0019,CFQ7TTCOLF8S/0020,CFQ7TTCOLF8S/0021,CFQ7TTCOLF8S/0022,CFQ7TTCOLF8S/0023,CFQ7TTCOLF8S/0024,CFQ7TTCOLF8S/0025,CFQ7TTCOLF8S/0026,CFQ7TTCOLF8S/0027,CFQ7TTCOLF8S/0028,CFQ7TTCOLF8S/0029,CFQ7TTCOLF8S/0030,CFQ7TTCOLF8S/0031,CFQ7TTCOLF8S/0032,CFQ7TTCOLF8S/0033,CFQ7TTCOLF8S/0034,CFQ7TTCOLF8S/0035,CFQ7TTCOLF8S/0036,CFQ7TTCOLF8S/0037,CFQ7TTCOLF8S/0038,CFQ7TTCOLF8S/0039,CFQ7TTCOLF8S/0040,CFQ7TTCOLF8S/0041,CFQ7TTCOLF8S/0042,CFQ7TTCOLF8S/0043,CFQ7TTCOLF8S/0044,CFQ7TTCOLF8S/0045,CFQ7TTCOLF8S/0046,CFQ7TTCOLF8S/0047,CFQ7TTCOLF8S/0048,CFQ7TTCOLF8S/0049,CFQ7TTCOLF8S/0050,CFQ7TTCOLF8S/0051,CFQ7TTCOLF8S/0052,CFQ7TTCOLF8S/0053,CFQ7TTCOLF8S/0054,CFQ7TTCOLF8S/0055,CFQ7TTCOLF8S/0056,CFQ7TTCOLF8S/0057,CFQ7TTCOLF8S/0058,CFQ7TTCOLF8S/0059,CFQ7TTCOLF8S/0060,CFQ7TTCOLF8S/0061,CFQ7TTCOLF8S/0062,CFQ7TTCOLF8S/0063,CFQ7TTCOLF8S/0064,CFQ7TTCOLF8S/0065,CFQ7TTCOLF8S/0066,CFQ7TTCOLF8S/0067,CFQ7TTCOLF8S/0068,CFQ7TTCOLF8S/0069,CFQ7TTCOLF8S/0070,CFQ7TTCOLF8S/0071,CFQ7TTCOLF8S/0072,CFQ7TTCOLF8S/0073,CFQ7TTCOLF8S/0074,CFQ7TTCOLF8S/0075,CFQ7TTCOLF8S/0076,CFQ7TTCOLF8S/0077,CFQ7TTCOLF8S/0078,CFQ7TTCOLF8S/0079,CFQ7TTCOLF8S/0080,CFQ7TTCOLF8S/0081,CFQ7TTCOLF8S/0082,CFQ7TTCOLF8S/0083,CFQ7TTCOLF8S/0084,CFQ7TTCOLF8S/0085,CFQ7TTCOLF8S/0086,CFQ7TTCOLF8S/0087,CFQ7TTCOLF8S/0088,CFQ7TTCOLF8S/0089,CFQ7TTCOLF8S/0090,CFQ7TTCOLF8S/0091,CFQ7TTCOLF8S/0092,CFQ7TTCOLF8S/0093,CFQ7TTCOLF8S/0094,CFQ7TTCOLF8S/0095,CFQ7TTCOLF8S/0096,CFQ7TTCOLF8S/0097,CFQ7TTCOLF8S/0098,CFQ7TTCOLF8S/0099,CFQ7TTCOLF8S/0100 |
| 265 | Office 365 E3 | CFQ7TTCOLF8R | 8 | Office 365 E3 | 25 | 25 | CFQ7TTCOLF8P/0001,CFQ7TTCOLF8R/0001,CFQ7TTCOLF8S/0001,CFQ7TTCOLF8S/0002,CFQ7TTCOLF8S/0003,CFQ7TTCOLF8S/0004,CFQ7TTCOLF8S/0005,CFQ7TTCOLF8S/0006,CFQ7TTCOLF8S/0007,CFQ7TTCOLF8S/0008,CFQ7TTCOLF8S/0009,CFQ7TTCOLF8S/0010,CFQ7TTCOLF8S/0011,CFQ7TTCOLF8S/0012,CFQ7TTCOLF8S/0013,CFQ7TTCOLF8S/0014,CFQ7TTCOLF8S/0015,CFQ7TTCOLF8S/0016,CFQ7TTCOLF8S/0017,CFQ7TTCOLF8S/0018,CFQ7TTCOLF8S/0019,CFQ7TTCOLF8S/0020,CFQ7TTCOLF8S/0021,CFQ7TTCOLF8S/0022,CFQ7TTCOLF8S/0023,CFQ7TTCOLF8S/0024,CFQ7TTCOLF8S/0025,CFQ7TTCOLF8S/0026,CFQ7TTCOLF8S/0027,CFQ7TTCOLF8S/0028,CFQ7TTCOLF8S/0029,CFQ7TTCOLF8S/0030,CFQ7TTCOLF8S/0031,CFQ7TTCOLF8S/0032,CFQ7TTCOLF8S/0033,CFQ7TTCOLF8S/0034,CFQ7TTCOLF8S/0035,CFQ7TTCOLF8S/0036,CFQ7TTCOLF8S/0037,CFQ7TTCOLF8S/0038,CFQ7TTCOLF8S/0039,CFQ7TTCOLF8S/0040,CFQ7TTCOLF8S/0041,CFQ7TTCOLF8S/0042,CFQ7TTCOLF8S/0043,CFQ7TTCOLF8S/0044,CFQ7TTCOLF8S/0045,CFQ7TTCOLF8S/0046,CFQ7TTCOLF8S/0047,CFQ7TTCOLF8S/0048,CFQ7TTCOLF8S/0049,CFQ7TTCOLF8S/0050,CFQ7TTCOLF8S/0051,CFQ7TTCOLF8S/0052,CFQ7TTCOLF8S/0053,CFQ7TTCOLF8S/0054,CFQ7TTCOLF8S/0055,CFQ7TTCOLF8S/0056,CFQ7TTCOLF8S/0057,CFQ7TTCOLF8S/0058,CFQ7TTCOLF8S/0059,CFQ7TTCOLF8S/0060,CFQ7TTCOLF8S/0061,CFQ7TTCOLF8S/0062,CFQ7TTCOLF8S/0063,CFQ7TTCOLF8S/0064,CFQ7TTCOLF8S/0065,CFQ7TTCOLF8S/0066,CFQ7TTCOLF8S/0067,CFQ7TTCOLF8S/0068,CFQ7TTCOLF8S/0069,CFQ7TTCOLF8S/0070,CFQ7TTCOLF8S/0071,CFQ7TTCOLF8S/0072,CFQ7TTCOLF8S/0073,CFQ7TTCOLF8S/0074,CFQ7TTCOLF8S/0075,CFQ7TTCOLF8S/0076,CFQ7TTCOLF8S/0077,CFQ7TTCOLF8S/0078,CFQ7TTCOLF8S/0079,CFQ7TTCOLF8S/0080,CFQ7TTCOLF8S/0081,CFQ7TTCOLF8S/0082,CFQ7TTCOLF8S/0083,CFQ7TTCOLF8S/0084,CFQ7TTCOLF8S/0085,CFQ7TTCOLF8S/0086,CFQ7TTCOLF8S/0087,CFQ7TTCOLF8S/0088,CFQ7TTCOLF8S/0089,CFQ7TTCOLF8S/0090,CFQ7TTCOLF8S/0091,CFQ7TTCOLF8S/0092,CFQ7TTCOLF8S/0093,CFQ7TTCOLF8S/0094,CFQ7TTCOLF8S/0095,CFQ7TTCOLF8S/0096,CFQ7TTCOLF8S/0097,CFQ7TTCOLF8S/0098,CFQ7TTCOLF8S/0099,CFQ7TTCOLF8S/0100 |
| 367 | | | | | | | |

This column lists all of the SKUs that an Office 365 E3 license may be upgraded to, which you can identify using the price list.

Note, if the upgrade that you want to do is not listed, then you should turn off auto-renew for the subscription, wait for it to come to an end, and then purchase the required licenses for the customer.

14.4. Upgrade prices

There is no notion of an upgrade price on the pricelist. As a partner you are invoiced for the initial licenses when they are purchased, and if an upgrade is performed, you are then refunded for the remaining term of the initial licenses and charged for the upgraded licenses.

14.5. Carrying out an upgrade

If you are using Partner Center, you can see when an upgrade is available when you are editing a subscription, as shown below:

Subscriptions | Office 365 E3 New Commerce Experience

Subscription Id: 264e4722-e918-4ce4-d906-bc1852058a13

i You can upgrade this subscription to one with more services.

[Upgrade now](#)

Clicking on the **Upgrade now** option will show the available upgrade options:

Choose an eligible upgrade for your subscription

☐ Microsoft 365 E5

☐ Office 365 E5 without Audio Conferencing

☐ Microsoft 365 E3 - Unattended License

☐ Office 365 E5

☐ Microsoft 365 E3

Choosing one of these license types will then allow you to set the options for the upgrade. If you keep the quantity of licenses the same it's known as a **full upgrade**, if you choose to upgrade just some of the licenses, it's known as a **partial upgrade**. You can also choose which subscription the upgraded licenses will be added to – the choice is **New Subscription** or **Existing Subscription** and is explained below.

Destination subscription
New Subscription ▼

Term duration
No change ▼

Billing frequency
No change

Quantity *
1 Licenses

Seat reassignment
✓ Automatic

When you have chosen your options and clicked on the Submit button, the upgrade transition will start as shown below:

Submit Cancel

Transition activity

| Date | Activity | Status |
|-----------------|----------|--------|
| 2/26/22 7:36 AM | Upgrade | 🕒 |

Do not be disconcerted that nothing appears to happen and the screen remains the same; you can refresh the screen to see the progress without interrupting the transition flow:

| | | |
|--|---|---------------------|
| <div> <div>Submit</div> <div>Cancel</div> </div> | | |
| Transition activity | | |
| Date | Activity | Status |
| 2/26/22 7:39 AM | Upgrade from Office 365 E3 to Office 365 E5 | ✓ Upgrade completed |
| 2/26/22 7:36 AM | Upgrade from Office 365 E3 to Office 365 E5 | ⌚ Upgrade started |

When the upgrade is complete, you'll see this information at the top of the screen:

Offer: Office 365 E3
Subscription Id: cc1313e3-ace1-490c-df82-a806e7efc4a7

i You can upgrade this subscription to one with more services.
[Upgrade now](#)

i Transition complete
×

w Seat reassignment required [Users and licenses](#)
×

14.6. Upgrading to a new subscription

Let's imagine that Margie's Travel ordered 25 1-year term licenses for Office 365 E3 on November 15, 2021. The subscription below would have been created:

| Nickname: Office 365 E3 | | | | ID: 18b0d7e6-584c-464a-df3e-5b65c0c8e06d | | |
|---|--------|----------|-------|--|------------|-----------|
| Type | Term | Billing | Cost | State | Auto-renew | End-date |
| O365 E3 | 1 year | Annually | \$192 | Active | On | 14-Nov-22 |
| <div> <div> <div></div><div></div><div></div><div></div><div></div> </div> <div> <div></div><div></div><div></div><div></div><div></div> </div> <div> <div></div><div></div><div></div><div></div><div></div> </div> </div> | | | | | | |

What happens when they want to upgrade to Office 365 E5? From the previous section we know that their partner can carry out a partial upgrade (some licenses) or a full upgrade (all licenses), and choose a new subscription or an existing subscription for the destination of the upgraded licenses.

If Margie's Travel don't already have any Office 365 E5 licenses they won't have an existing subscription that the upgraded licenses can be added to. So let's start by seeing what happens when the **New Subscription** option is chosen.

| Type of upgrade | What happens |
|-----------------|---|
| Full | New Subscription A new Office 365 E5 subscription is created, but takes the following attributes from the existing subscription: <ul style="list-style-type: none"> ID |

| | |
|----------------|--|
| | <ul style="list-style-type: none"> • Term • Billing frequency • End-date <p>The price for the new subscription is taken from the current price list</p> <p>Existing Subscription</p> <p>The original Office 365 E3 subscription is deleted</p> |
| Partial | <p>New Subscription</p> <p>A new subscription for the Office 365 E5 licenses is created, and takes the following attributes from the existing subscription:</p> <ul style="list-style-type: none"> • Term • Billing frequency • End-date <p>The price for the new subscription is taken from the current price list</p> <p>Existing Subscription</p> <p>The original subscription retains the non-upgraded Office 365 E3 licenses with no change to any of its attributes</p> |

14.7. Upgrading to an existing subscription

Let's now imagine that Margie's Travel have the same Office 365 E3 licenses as described in the previous section, but that they also have some Office 365 E5 licenses in another subscription. Note that these licenses will always be in separate subscriptions since only one license type may exist in a single subscription.

In this situation, there is a choice – the new Office 365 E5 licenses could be put into a new subscription (as described above), or they could be added into the existing Office 365 E5 subscription. There are advantages in putting the new Office 365 E5 licenses into the existing subscription: the price will be the same rather than being taken from the current price list, and the end-date of all Office 365 E5 licenses will be the same.

This is what happens when the **Existing Subscription** option is chosen:

| Type of upgrade | What happens |
|-----------------|-----------------------------------|
| Full | Office 365 E5 Subscription |

| | |
|----------------|---|
| | <p>All the new Office 365 E5 licenses are added to the existing subscription which retains all its original attributes</p> <p>Office 365 E3 Subscription The original Office 365 E3 subscription is deleted</p> |
| Partial | <p>Office 365 E5 Subscription All the new Office 365 E5 licenses are added to the existing subscription which retains all its original attributes</p> <p>Office 365 E3 Subscription The original subscription retains the non-upgraded Office 365 E3 licenses with no change to any of its attributes</p> |

14.8. Scheduling an upgrade

Upgrades may be carried out mid-term, or scheduled to take place at renewal, with the options being the same as described in the [Carrying out an upgrade](#) section.

14.9. Removing duplicated licenses after an upgrade

If a customer has licenses that are not needed after an upgrade has taken place, a support ticket should be raised to cancel the required licenses. For example, a customer with Office 365 E3 and EMS E3 licenses can upgrade the Office 365 E3 licenses to Microsoft 365 E3 which makes the EMS E3 licenses redundant. The partner is refunded for the remaining term of the EMS E3 licenses.

14.10. Promotions and upgrades

When licenses are upgraded into a new subscription, the price is taken from the current price list. If a promotion is available, that promotional price will automatically be applied. The picture below shows the options when an Office 365 E3 license is upgraded to Office 365 E5, with confirmation of a promotion shown at the bottom:

Office 365 E5

ⓘ This subscription includes services which can leverage consumption when exceeding overage limits. Once the subscription has been purchased, the admin agent can enable and manage overage consumption. [Learn more](#)

Destination subscription

New Subscription

Term duration

No change

Billing frequency

No change

Quantity *

1 Licenses

Seat reassignment

Promotions

Office 365 E5

[Details](#)

15. Add-ons

15.1. Overview

An Add-on in the new commerce experience is a license that relies on another license having been purchased for it to work. Teams Phone Standard, for example, relies on products such as Office 365 E3 to already be present on the tenant.

15.2. Technical vs. licensing prerequisites

Add-ons in the new commerce experience are technically enforced, which means that the purchase of them is blocked if no qualifying prerequisite license is found on the tenant. The qualifying license can have been purchased through any of the ways to buy: through Web Direct, through a Volume Licensing agreement, through the CSP legacy commerce experience, or through another new commerce experience CSP partner.

Note that the enforcement that the new commerce experience carries out is not a licensing enforcement. From a licensing perspective, if 5 users need to use Teams Phone Standard, then those 5 users must be licensed with, for example, Office 365 E3. In the new commerce experience, you can purchase 5 licenses for Teams Phone Standard as long as just 1 license of, for example, Office 365 E3 has previously been found. The Product Terms site states that Add-on licenses must be purchased under the same licensing agreement as their qualifying license, but note that this pertains to the Add-ons that customers with active Software Assurance may purchase to add cloud services to their existing on-premises licenses, not the Add-ons available through the new commerce experience. The new commerce experience Add-ons are to increase cloud services for customers already in the cloud, the other Add-ons are to get on-premises customers to the cloud. You can find the relevant Product Terms text [here](#).

Note also that this enforcement does not apply to the Dynamics 365 Base and Attach offers. If a customer wants to license a user with, for example, Dynamics 365 Sales Enterprise and Dynamics 365 Customer Service Enterprise, a partner would transact one license as a Base offer (\$95 per user per month) and the other as an Attach offer (\$20 per user per month). There is no technical or licensing enforcement with the Dynamics 365 licenses; the customer should work with the partner to ensure that the correct licenses are purchased.

15.3. Finding the prerequisites for an offer

To check the prerequisites for any Add-on, you should use the Offer Matrix. Here you can see that Excel spreadsheet filtered for Teams Phone Standard with the **ProductSKUPreRequisites** column expanded:

| | A | B | C | D | K |
|-----|--------------------------------|--------------|-------|--------------------------------|---|
| 1 | ProductTitle | Productid | Skuld | SkuTitle | ProductSkuPreRequisites |
| 218 | Microsoft Teams Phone Standard | CFQ7TTC0LH0T | 1 | Microsoft Teams Phone Standard | CFQ7TTC0JN4R/0002,CFQ7TTC0LCHC/0002,CFQ7TTC0LDPB/0001,CFQ7TTC0LF8P/0001,CFQ7TTC0LF8Q/0001,CFQ7TTC0LF8Q/0002,CFQ7TTC0LF8R/0001,CFQ7TTC0LF8R/0002,CFQ7TTC0LF8R/0001,CFQ7TTC0LF8R/0002,CFQ7TTC0LF8R/0001,CFQ7TTC0LGZW/0001,CFQ7TTC0LGZW/0002,CFQ7TTC0LH05/0001,CFQ7TTC0LH09/0001,CFQ7TTC0LH0F/0001,CFQ7TTC0LH0G/0001,CFQ7TTC0LH0M/0001,CFQ7TTC0LH0P/0001,CFQ7TTC0LH15/0001,CFQ7TTC0LH18/0001,CFQ7TTC0LH5K/0001,CFQ7TTC0MBMD/0001,CFQ7TTC0MBMD/0002 |
| 326 | | | | | |

This column lists all of the products that could be present on the tenant to allow a purchase of Teams Phone Standard, which you can identify using the price list.

15.4. Purchasing an Add-on license

Add-on licenses are listed in the Partner Center catalog in the same way as other licenses that may be purchased through the new commerce experience. Products that are classified as Add-ons have a little information icon which indicates that they are Add-ons and that there are prerequisites that must be met before this license may be purchased:

| Products | Quantity | Action |
|---|----------|-----------------------------|
| <div> <div>These add-ons require a compatible base product subscription to work. Expand the description for more information.</div> <div> <div>Microsoft Teams Phone Standard ⓘ New Commerce Experience</div> <div> <div>Microsoft Teams Phone Standard</div> <div>By Microsoft Corporation - License</div> <div> Full description Promotion Available </div> </div> </div> </div> | 1 | Add to cart |

Clicking on the **Full description** option gives the screen below:

| Products | Quantity | Action |
|---|----------|-----------------------------|
| <div> <div>Microsoft Teams Phone Standard ⓘ New Commerce Experience</div> <div> <div>Microsoft Teams Phone Standard</div> <div>By Microsoft Corporation - License</div> <div> <div>This product is an add-on. View compatible base product subscriptions</div> <div>For organizations that need call management capabilities (make, receive and transfer calls) in the cloud and use the Office 365 admin center to manage users.</div> <div>Id: CFQ7TTC0LH0T:0001</div> <div> Show less Promotion Available </div> </div> </div> </div> | 1 | Add to cart |

From here you can click on the **View compatible base product subscriptions** option to see the list of eligible prerequisites:

Compatible base product subscriptions

The base product subscriptions listed below are compatible with this add-on:

Microsoft Teams Phone Standard

Search products

Product

Microsoft Teams Essentials (AAD Identity)

Microsoft 365 Business Premium

Microsoft 365 Business Standard

Office 365 E1

Office 365 E3

Microsoft 365 E3

Office 365 F3

Microsoft 365 F3

Office 365 G3

Microsoft 365 Business Basic

Microsoft 365 F1

Done

If you attempt to purchase the Add-on without an eligible prerequisite license, this error message will appear:

Microsoft Teams Phone Standard ⓘ New Commerce Experience

Microsoft Teams Phone Standard

By Microsoft Corporation - License

The add-on is not purchasable without a compatible base product.

1

Added!

Full description

Promotion Available

If an eligible prerequisite license is found on the tenant, the purchase goes ahead like any other new subscription in the new commerce experience.

15.5. Add-on license subscription terms and billing frequency

Add-on licenses are available in a variety of subscription terms and billing frequencies. Here you can see the price list filtered for the Teams Phone Standard Add-on licenses where it shows a 1-month license is available, or a 1-year one with either monthly or annual billing:

| | A | B | C | D | H | I |
|------|--------------------------------|--------------|-------|--------------------------------|--------------|-------------|
| 1 | ProductTitle | ProductId | Skuld | SkuTitle | TermDuration | BillingPlan |
| 4376 | Microsoft Teams Phone Standard | CFQ7TTCOLH0T | 1 | Microsoft Teams Phone Standard | P1M | Monthly |
| 4377 | Microsoft Teams Phone Standard | CFQ7TTCOLH0T | 1 | Microsoft Teams Phone Standard | P1Y | Annual |
| 4378 | Microsoft Teams Phone Standard | CFQ7TTCOLH0T | 1 | Microsoft Teams Phone Standard | P1Y | Monthly |

The term and billing frequency of an Add-on subscription do NOT have to match those of the underlying prerequisite license. However, you can imagine if the underlying license is a 1-month subscription that doesn't renew, there will be technical problems at the end of

the term if the Add-on subscription term is for 1-year. Note that the partner will continue to be billed for the Add-on license, even if technically it can't be used.

15.6. Adding and reducing Add-on licenses

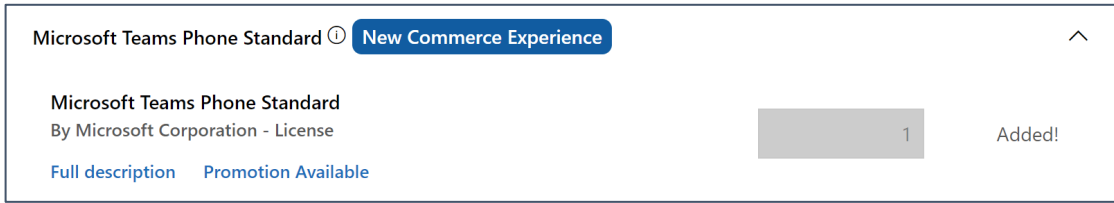
When Add-on licenses are transacted, a new subscription is created, and it follows all the rules for new subscriptions. So, additional Add-on licenses may be added at any time into the subscription (see the [Adding licenses](#) section), and licenses may be reduced (see the [Reducing licenses](#) section) or the subscription canceled (see the section) within the first 168 hours.

15.7. Add-ons and coterminosity

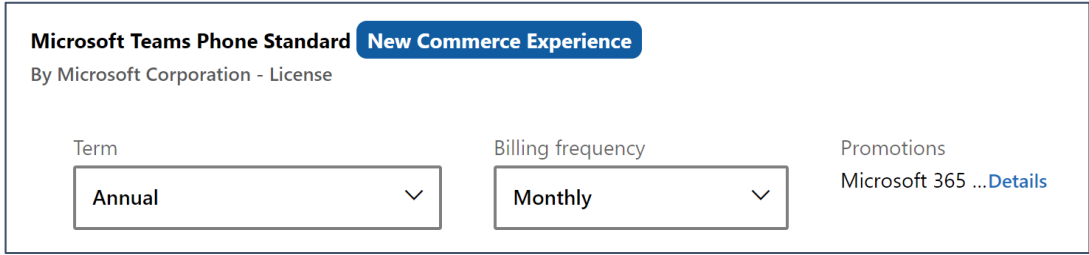
When an Add-on license purchase is transacted, a technical check is done on the tenant to make sure that the prerequisites are met. However, the Add-on subscription is not linked in any way to the prerequisite subscription. If a single partner has sold both the underlying license and Add-on license to the same customer, then it is possible for the partner to make these subscriptions coterminous – see the [Coterminosity](#) section for details.

15.8. Add-ons and promotions

From a promotions perspective, transacting a license which is classified as an Add-on is exactly the same as transacting any other license – if a promotion is available, then it is indicated in the product catalog as shown below:



Likewise, when you review the cart, you see that the promotion will be applied in the usual way:



15.9. Add-ons and upgrades

Throughout this section we've taken the example of a Teams Phone Standard license added on to an eligible prerequisite license of Office 365 E3. However, what would happen if the customer wanted to upgrade the Office 365 E3 license to Office 365 E5 – which includes the Teams Phone Standard capability? In this case, after the upgrade, the partner

should raise a support ticket to remove the Add-on license and to receive any refunds due.

16. Coterminosity

16.1. Overview

Subscriptions created on different dates have different end-dates. Coterminosity is the ability to align the end-dates of subscriptions to make renewal easier.

16.2. Scope of coterminosity

Coterminosity is only available in the CSP new commerce experience. This means that if a customer has subscriptions in both the legacy experience and the new commerce experience, it is only the new commerce experience subscriptions that may be made coterminous with each other. If a customer has purchased licenses through Web Direct or an Enterprise Agreement, a new commerce experience subscription may not be made coterminous with these licenses. There IS a method of making existing subscriptions coterminous with the current date which could be used to manufacture this alignment. See the [Aligning existing subscriptions to today's date](#) section.

16.3. Coterminosity alignment rules

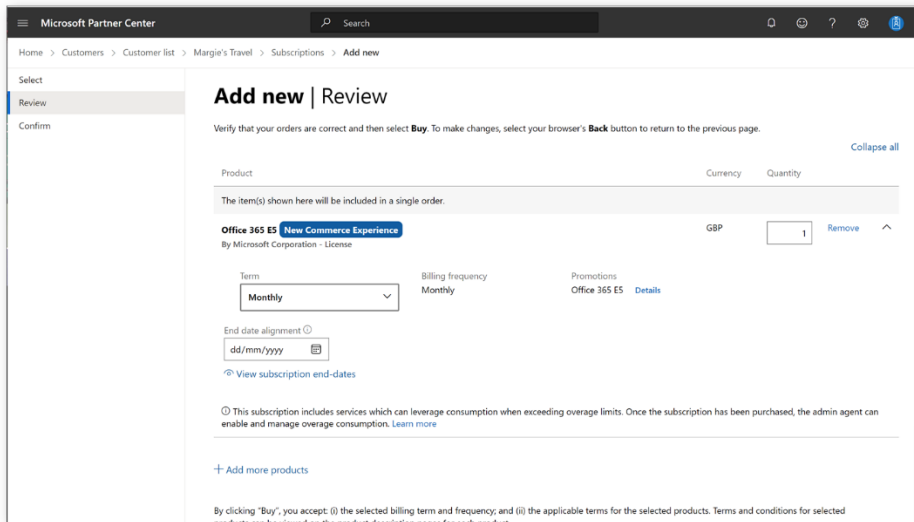
Coterminosity can be activated when a subscription is created or when it is renewed. A subscription can be made coterminous with an existing subscription according to the following table:

| | | New or renewing Subscription | | |
|--------------------------|---------|---------------------------------|--------|---------|
| Existing Subscription | | 1-month | 1-year | 3-years |
| | 1-month | Yes | No | No |
| | 1-year | Yes | Yes | Yes |
| | 3-years | Yes | Yes | Yes |

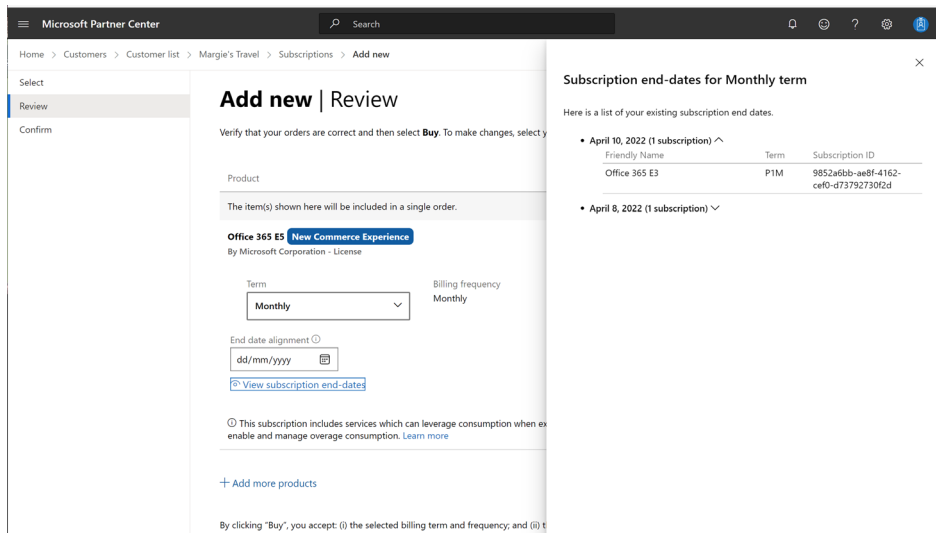
In summary, a new or renewing 1- or 3-year subscription may not be made coterminous with a 1-month subscription.

16.4. Activating coterminosity for a new subscription

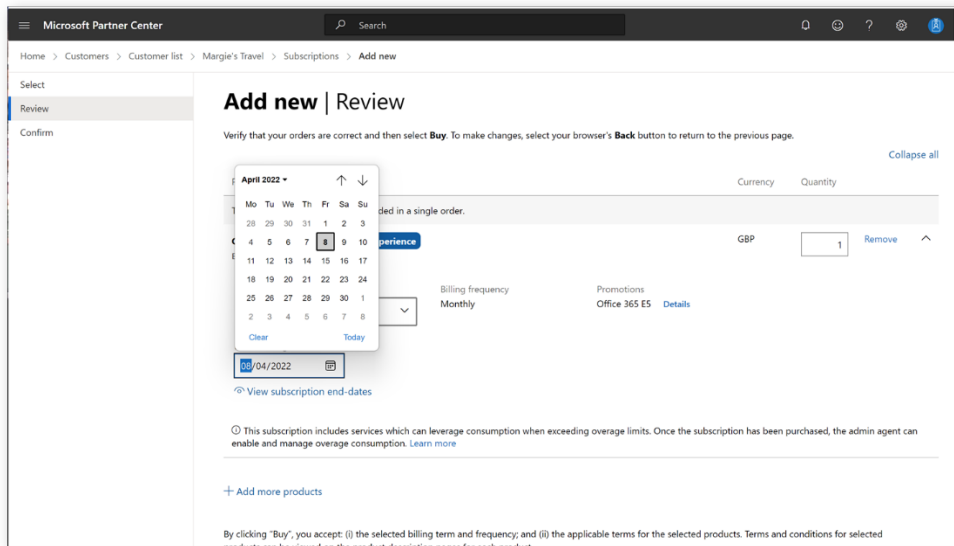
When a new subscription is purchased through the Partner Center interface, there is the opportunity to activate coterminosity at the cart review stage in the [End-date alignment](#) section of the screen:



Clicking on the **View subscription end-dates** option shows the dates of the existing subscriptions that the new subscription may be aligned with. Here, a 1-month subscription is being purchased, so existing 1-month subscriptions are shown as possible alignment options. These existing 1-month subscriptions would not be available for alignment if a 1- or 3-year subscriptions was being purchased:



Once you've reviewed the possible end-dates for the new subscription, you need to choose the required date in the **date picker** at the cart review screen:



16.5. Activating coterminosity for an existing subscription

Activating coterminosity for an existing subscription does not change the end-date of the existing term, rather it schedules the coterminosity to be activated when the subscription next renews.

For example, Margie's Travel have a 1-month subscription that ends on April 13, 2022. Their partner can schedule this subscription to be made coterminous with another subscription by choosing the **Manage renewal** option when editing the subscription:

Status

☒ Active
 Renews on Thursday, April 14, 2022, 1:00 AM GMT+1

☒ Auto-renew

☐ Manage renewal ⓘ

☐ Suspended

☐ Cancel subscription

The **Manage Renewal** pane shows the available options for this subscription to align to as shown below:

End date alignment ⓘ: Current: April 13, 2022 UTC

Change to:

ⓘ

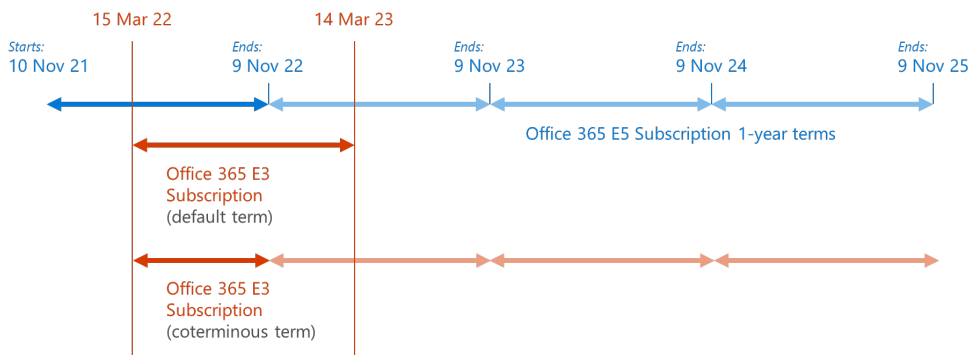
Subscription end-dates

- May 13, 2022 (2 subscriptions) ▾
- May 8, 2022 (1 subscription) ▾

Note that the second subscription shown is a 1-month subscription. If the partner is managing the renewal on March 18, 2022, you might imagine that the subscription end-date of this subscription would show as April 9, 2022, rather than the May 8, 2022, date shown. However, the existing subscription is due to end on April 13, 2022, and this duration can never be shortened. If the existing subscription is aligned to the existing 1-month subscription, then it will renew on April 14, 2022, with an end-date of May 8, 2022.

16.6. Aligning a new 1-year subscription to an existing 1-year subscription

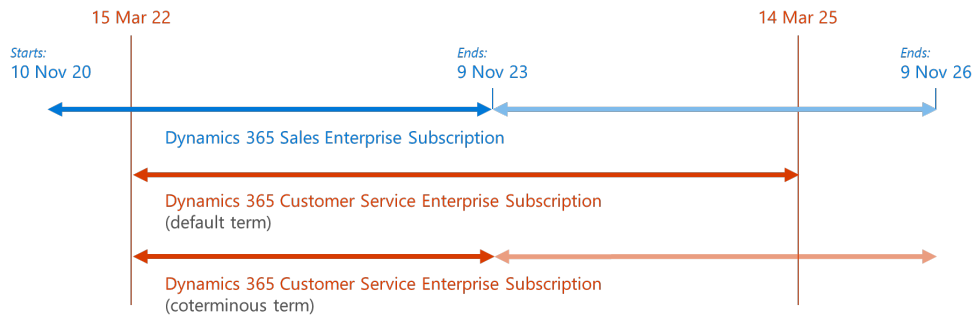
Imagine that Margie's Travel have an existing 1-year subscription for Office 365 E5 which ends on November 9, 2022. On March 15, 2022, they want to purchase some Office 365 E3 licenses for a 1-year term and to have the subscriptions aligned. The diagram below shows the existing subscription in blue, and the new subscription in orange, with its default renewal date and the coterminous renewal date:



When a new 1-year subscription is aligned to an existing 1-year subscription, the end-date of the new subscription exactly matches the end-date of the existing subscription. The first term of the new subscription is thus shorter, and charges to the partner are prorated.

16.7. Aligning a new 3-year subscription to an existing 3-year subscription

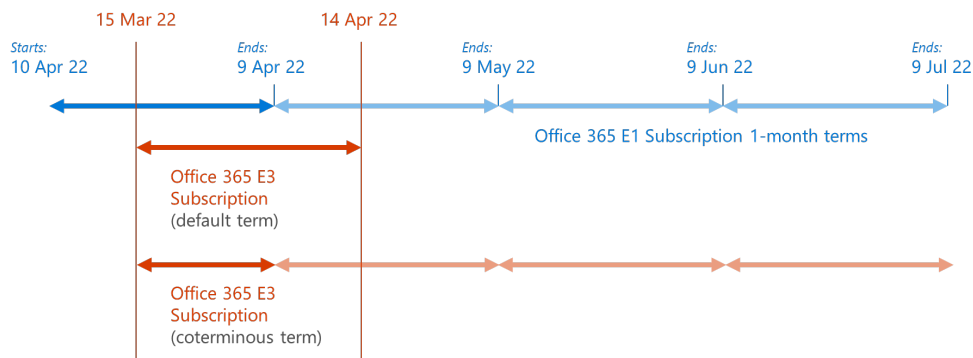
Imagine that Margie's Travel have an existing 3-year subscription for Dynamics 365 Sales Enterprise which ends on November 9, 2023. On March 15, 2022, they want to purchase some Dynamics 365 Customer Service Enterprise licenses for a 3-year term and to have the subscriptions aligned. The diagram below shows the existing subscription in blue, and the new subscription in orange, with its default renewal date and the coterminous renewal date:



When a new 3-year subscription is aligned to an existing 3-year subscription, the end-date of the new subscription exactly matches the end-date of the existing subscription. The first term of the new subscription is thus shorter, and charges to the partner are prorated.

16.8. Aligning a new 1-month subscription to an existing 1-month subscription

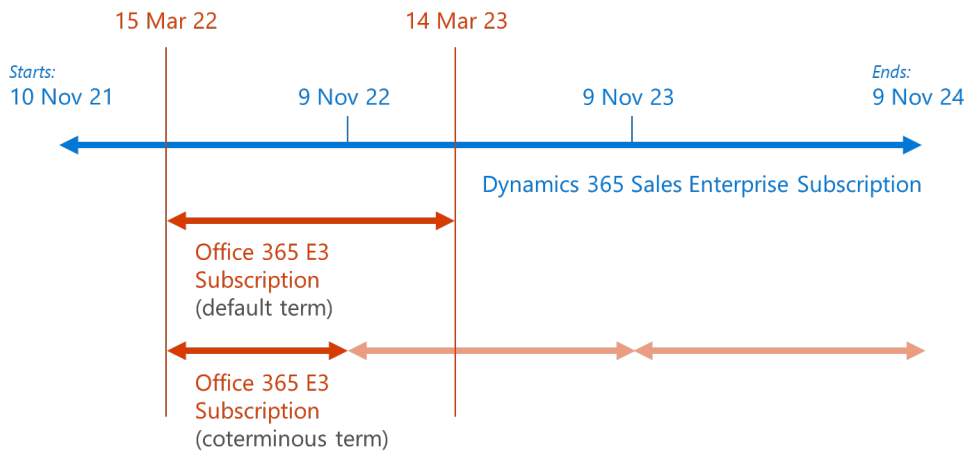
Imagine that Margie's Travel have an existing 1-month subscription for Office 365 E1 which ends on April 9, 2022. On March 15, 2022, they want to purchase some Office 365 E3 licenses for a 1-month term and to have the subscriptions aligned. The diagram below shows the existing subscription in blue, and the new subscription in orange, with its default renewal date and the coterminous renewal date:



When a new 1-month subscription is aligned to an existing 1-month subscription, the end-date of the new subscription exactly matches the end-date of the existing subscription. The first term of the new subscription is thus shorter, and charges to the partner are prorated.

16.9. Aligning a new 1-year subscription to an existing 3-year subscription

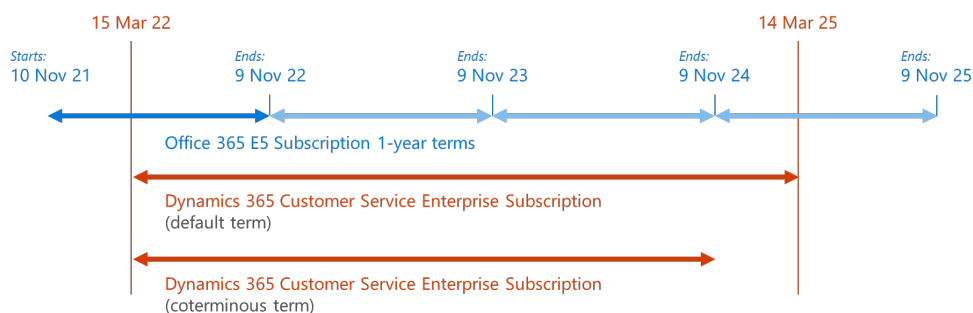
Imagine that Margie's Travel have an existing 3-year subscription for Dynamics 365 Sales Enterprise which ends on November 9, 2024. On March 15, 2022, they want to purchase some Office 365 E3 licenses for a 1-year term and to have the subscriptions aligned. The diagram below shows the existing subscription in blue, and the new subscription in orange, with its default renewal date and the coterminous renewal date:



When a new 1-year subscription is aligned to an existing 3-year subscription, the day and month of the end-date of the new subscription match the day and month of the end-date of the existing subscription. In the example above, that's November 9. The year of the end-date of the new subscription is the appropriate year that would make the new subscription have a duration of less than 1 year. In other words, in the example above, it's the first November 9 that occurs after the start date. The first term of the new subscription is thus shorter, and charges to the partner are prorated.

16.10. Aligning a new 3-year subscription to an existing 1-year subscription

Imagine that Margie's Travel have an existing 1-year subscription for Office 365 E5 which ends on November 9, 2022. On March 15, 2022, they want to purchase some Dynamics 365 Customer Service Enterprise licenses for a 3-year term and to have the subscriptions aligned. The diagram below shows the existing subscription in blue, and the new subscription in orange, with its default renewal date and the coterminous renewal date:

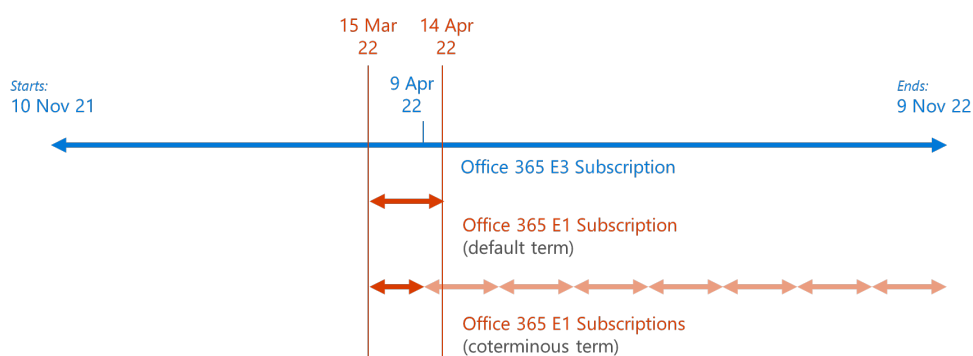


When a new 3-year subscription is aligned to an existing 1-year subscription, the day and month of the end-date of the new subscription match the day and month of the end-date of the existing subscription. In the example above, that's November 9. The year of the end-date of the new subscription is the appropriate year that would make the new subscription have a duration of between 2 and 3 years. In other words, in the example

above, it's the third November 9 that occurs after the start date. The first term of the new subscription is thus shorter, and charges to the partner are prorated.

16.11. Aligning a new 1-month subscription to an existing 1- or 3-year subscription

Imagine that Margie's Travel have an existing 1-year subscription for Office 365 E3 which ends on November 9, 2022. On March 15, 2022, they want to purchase some Office 365 E3 licenses for a 1-month term and to have the subscriptions aligned. The diagram below shows the existing subscription in blue, and the new subscription in orange, with its default renewal date and the coterminous renewal date:



When a new 1-month subscription is aligned to an existing 1-year subscription, the day of the end-date of the new subscription matches the day of the end-date of the existing subscription. In the example above, that's the 9th. The month and year of the end-date of the new subscription is the appropriate month and year that would make the new subscription have a duration of less than 1 month. In other words, in the example above, it's the first 9th of a month that occurs after the start date. The first term of the new subscription is thus shorter, and charges to the partner are prorated.

If a new 1-month subscription is aligned to an existing 3-year subscription, it works in exactly the same way as described above.

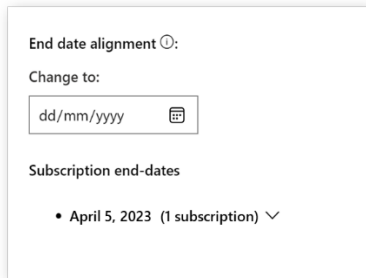
16.12. Aligning existing subscriptions to today's date

A new or renewing subscription must be aligned to an existing subscription; there is no option to simply pick any date from the calendar to align to. However, on a particular date of interest you can create a subscription, align existing subscriptions to it, and then cancel the new subscription.

For example, imagine that Margie's Travel have the following subscriptions which they'd like to align to their Financial Year which starts on April 6:


- 1-year subscription for Office 365 E3 ending on November 15, 2022
- 1-year subscription for Office 365 E5 ending on February 3, 2023

On April 6, 2022, their partner can transact any 1-year subscription and manage the renewal options for the existing subscriptions and choose the new subscription to align to:



End date alignment ⓘ:

Change to:

dd/mm/yyyy 

Subscription end-dates

- April 5, 2023 (1 subscription) ▾

This will NOT change the duration of the existing subscriptions in any way, but on November 16, 2022, when the Office 365 E3 subscription auto-renews its new term will end on April 5, 2023. The same thing happens on February 4, 2023, when the Office 365 E5 subscription auto-renews – its new term will end on April 5, 2023.

16.13. Migrating legacy subscriptions and coterminosity

If you want to take a legacy subscription into the new commerce experience, the easiest way is to use the **Migrate to New Commerce Experience** option when you're editing the legacy subscription. However, if you do that, you will have no opportunity within that process to make the new commerce experience subscription coterminous with any other subscription; your first opportunity to do this will be to schedule it to happen at renewal. If you need to migrate a legacy subscription to the new commerce experience and to make it coterminous with an existing subscription, you should carry out the migration process manually. In other words, transact a new subscription in new commerce and make it coterminous with the required subscription, and then suspend the legacy subscription.

17. Trials

17.1. Overview

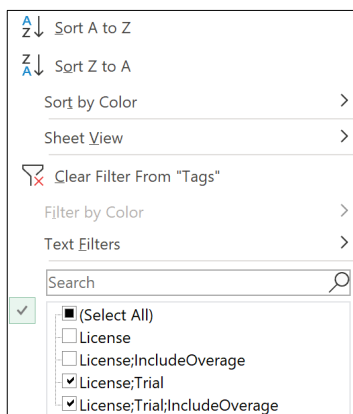
Free trials are available for some of the seat-based offers in the new commerce experience. All trials are for 25 licenses for a period of exactly 30 days. By default, these trials automatically convert into paid subscriptions for the same product at the end of the trial period. It is also possible to manually convert a trial to a paid subscription at any time, or to schedule changes to the default settings at the end of the trial period. If you don't want a trial to automatically convert to a paid subscription, you should turn the auto-renew setting off.

17.2. Products available for trials

A trial subscription gives access to exactly the same functionality as a paid subscription for the same product. The most common products available for trials are the following:

- Microsoft 365 Business Standard and Premium
- Microsoft 365 F1
- Office 365 E3 and E5
- Windows 10/11 Enterprise E3
- EMS E5
- Project Plan 1 and Plan 3
- Visio Plan 1 and Plan

To find the full list of products available as a trial, use the **Tags** column in the price list, and choose to filter by the **Trial** attribute as shown below:



17.3. Creating a trial subscription

Trial subscriptions are created in the same way as other seat-based offers in the new commerce experience, but with no flexibility in choosing the term (30 days) or the number of licenses (25).

Note that if you're using Partner Center to create a Trial subscription, it's helpful to set the **Category** filter to **Trial** as shown below:

Add new | Select

Azure
Online Services
Software
Special Offers

Segment: Commercial

Search by name or ID

Publisher: Microsoft
Category: Trial
Product type: Any

Once the trial subscription has been created, it can't be canceled or suspended, but you can turn off auto-renew if you don't want it to convert into a paid subscription at the end of the 30 days. You can turn off auto-renew at any time within the 30 days and turn it back on again if you want to.

You won't get any alerts at the end of a trial – either that the trial is expiring or that it's converting into a paid subscription. If auto-renew has been turned off, the trial subscription enters the **Expired** state (see the **Subscription states** section) where users can still access files and data for 30 days.

When a trial automatically converts to a paid subscription, it behaves like a new subscription, and in the first 168 hours the number of licenses can be reduced, or the entire subscription may be canceled. See the **Reducing licenses** and **Canceling subscriptions** sections for more details.

The following sections help you to understand what happens when a trial subscription converts to a paid subscription, and what control you have over the options.

17.4. Automatic trial conversion with default options

If a partner does not turn off auto-renew on a trial subscription, it will automatically convert with default options into a paid subscription at the end of the 30-day term.

Let's imagine that Margie's Travel were interested in Visio Plan 1 but didn't want to commit to paid licenses and so their partner transacted a trial for them on November 15, 2021. If the partner does nothing, the trial subscription converts into the paid subscription below:

Nickname: Visio Plan 1
ID: b05e8d85-ef63-4657-d23c-6a551009c3f9

| Type | Term | Billing | Cost | State | Auto-renew | End-date |
|----------|--------|---------|------|--------|------------|-----------|
| Visio P1 | 1 year | Monthly | \$48 | Active | On | 14-Dec-22 |

Note the following attributes that are applied:

- The subscription ID remains the same as the trial subscription ID
- The offer type remains the same (Visio Plan 1)
- A 1-year term is chosen
- Monthly billing is applied
- The price is taken from the current price list
- Auto-renew is set to "On"
- The end-date is calculated from the day after the trial term ends
- 25 licenses

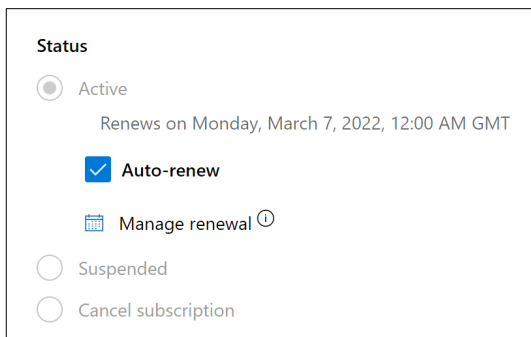
Licenses that have been assigned to users will remain assigned to those users when the trial subscription is converted.

When the trial subscription converts into a paid subscription, it behaves in exactly the same way as any other new subscription. This means that you can change the number of licenses in the first 168 hours, upgrade to an eligible offer at any time, or change the billing term and/or frequency as detailed in the [Subscription terms and billing frequency](#) section.

17.5. Automatic trial conversion with customized options

If you want the trial to automatically convert to a paid subscription at the end of the 30-day period, but for some of the options to be changed – annual billing instead of monthly billing, for example – then you can manage these changes at any point in the 30 days. Note that these are the same options as if you're managing a paid subscription.

If you're using Partner Center, you can do this by clicking on the [Manage renewal](#) option when editing the trial subscription:



The screenshot shows a 'Status' section with three radio button options: 'Active', 'Suspended', and 'Cancel subscription'. The 'Active' option is selected. Below the 'Active' option, it says 'Renews on Monday, March 7, 2022, 12:00 AM GMT'. Below that, there is a checked checkbox for 'Auto-renew' and a link for 'Manage renewal' with a help icon.

This takes you to the [Manage renewal](#) screen:

×

Manage renewal

Changes take effect upon subscription renewal date: Monday, March 7, 2022. For SKU upgrades, if the quantity doesn't change, licenses will be assigned automatically. Otherwise, you will need to manually assign licenses.

SKU: Current: Visio Plan 2

Change to:

No change

Quantity: Current: 25

Change to:

25 Licenses

Term: Current: Monthly

Change to:

Annual

Billing frequency: Current: Trial offer - no billing

Change to:

Monthly

This is where you can schedule the following changes to occur at the end of the trial term:

- A different product, choosing from any of the upgrades for which the trial product is eligible. See the [Upgrading licenses](#) section
- A higher number of licenses (the default is 25)
- A different term (the default is 1-year)
- A different billing frequency (the default is monthly)

The end-date of the subscription is automatically calculated from the day after the trial subscription ends, using the term chosen above.

17.6. Immediate trial conversion

Rather than waiting for the 30-day trial period to come to an end, you can convert a trial to a paid subscription at any time. This is sometimes called a manual conversion.

When you edit a trial subscription in Partner Center you will see this message at the top of the screen which shows how long there is left in the trial period and allows you to carry out an immediate conversion:

i

This trial will expire in 4 days. You have 4 days to decide if you want to convert the trial to a paid subscription.

[Convert trial to paid subscription](#)

You can then choose to upgrade the license type if required (Office 365 E3 to E5, for example) and then have the usual options as shown below:

Destination subscription

New Subscription

Term duration

Annual

Billing frequency

Monthly

Quantity *

29

Licenses

Note that you can specify the same or a higher number of licenses, but not a lower number when you do the trial conversion. If you do want a lower number of licenses then you need to reduce them when the conversion to a paid subscription has taken place, when you will have the usual 168 hours to make reductions.

17.7. Promotions and trials

When a trial subscription converts to a paid subscription, eligible promotions are NOT applied. It's likely that the partner will want to take advantage of a promotion if possible, so if the customer does want to move to a paid subscription after a trial, the partner should turn auto-renew off on the trial and then purchase the required subscription in the usual way.

18. SMB offers

18.1. Overview

Some offers are aimed specifically at small and medium businesses and are limited to 300 licenses per offer type per customer tenant. These products have the word "Business" in their names.

18.2. Business licenses

These are the business products that are subject to these restrictions:

- Microsoft 365 Apps for business
- Microsoft 365 Business Basic
- Microsoft 365 Business Standard
- Microsoft 365 Business Premium
- Windows 365 Business

18.3. Checking for restrictions

You can verify that a product will be subject to a maximum of 300 licenses by using the Offer Matrix. Here's a snippet of that Excel spreadsheet with the **MaxLicenses** column filtered to just show offers with a maximum of 300 licenses:

| | A | B | C | D | G | H |
|-----|---------------------------------|--------------|-------|---|----------|-------------|
| 1 | ProductTitle | ProductId | Skuld | SkuTitle | MinLicen | MaxLicenses |
| 198 | Microsoft 365 Apps for business | CFQ7TTCOLH1G | | 1 Microsoft 365 Apps for business | 1 | 300 |
| 203 | Microsoft 365 Business Basic | CFQ7TTCOLH18 | | 1 Microsoft 365 Business Basic | 1 | 300 |
| 204 | Microsoft 365 Business Premium | CFQ7TTCOLCHC | | 2 Microsoft 365 Business Premium | 1 | 300 |
| 206 | Microsoft 365 Business Standard | CFQ7TTCOLDPB | | 1 Microsoft 365 Business Standard | 1 | 300 |
| 329 | Windows 365 Business | CFQ7TTCOJ203 | 000N | Windows 365 Business 2 vCPU, 4 GB, 256 GB | 1 | 300 |

18.4. Restriction enforcement

The number of licenses is restricted technically in two ways across the whole of the customer tenant. First of all, it's only restricted at the license-type level. This means that a customer could purchase 300 licenses of Business Basic but ALSO buy 300 licenses of Business Premium. Secondly, the 300 limit per license type is restricted across all of the ways to buy. This means that a customer could purchase 100 x Business Basic direct from Microsoft's website, 100 x Business Basic from one CSP partner, and 100 x Business Basic from another CSP partner for the maximum of 300 licenses.

If you are using Partner Center and you try to purchase more than 300 licenses of any one type you will be prevented from adding those licenses to the cart and reminded of the limit of 300 licenses, as shown below:

Microsoft 365 Business Basic

New Commerce Experience

Microsoft 365 Business Basic
By Microsoft Corporation - License
[Full description](#) [Promotion Available](#)

The maximum quantity is 300.

Add to cart

If a customer already has licenses for a particular offer and you try to purchase licenses that would take the number over the 300-license limit, you will be able to add them to the cart but will then get an error and told how many licenses remain for that offer, as shown below:

Microsoft 365 Business Basic

New Commerce Experience

^

Microsoft 365 Business Basic

By Microsoft Corporation - License

The requested number of 300 seat(s) exceeds the remaining limit of 299 seats allowed per subscription for the CatalogItemId - CFQ7TTC0LH18:0001:CFQ7TTC0KWSV.

300

Added!

19. Telco offers

19.1. Overview

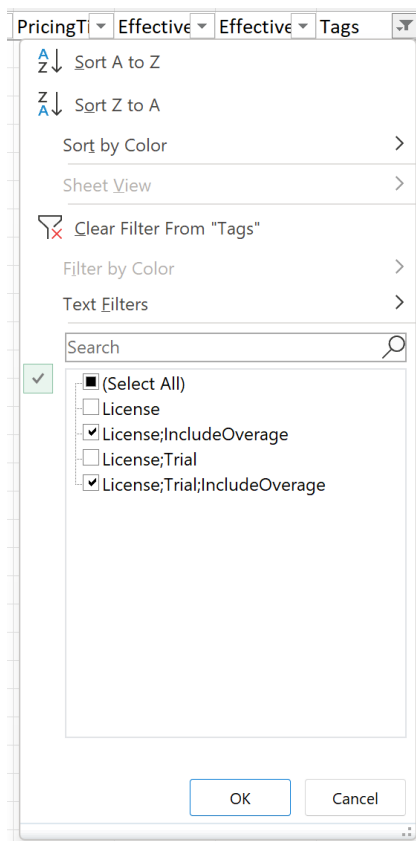
The telco offers are those license types that include calling minutes – usually 120 minutes per license. Overage is incurred if those minutes are exhausted and users need to continue using the services.

19.2. Identifying the telco offers

The most common telco offers are:

- Microsoft Teams Phone with Calling Plan
- Microsoft 365 Domestic Calling Plan
- Microsoft 365 Domestic and International Calling Plan
- Office 365/Microsoft 365 E5
- Microsoft Teams Rooms Standard/Premium

To get the full list of telco offers you need to find the offers that include overage, which you can do by using the price list to filter the **Tags** column for offers that have the **IncludeOverage** tag.



When you use Partner Center to transact an offer that includes overage, this is indicated as shown below:

Office 365 E5
New Commerce Experience

Office 365 E5
By Microsoft Corporation - License
This product has monthly limits and overage charges. [Learn more](#)

19.3. Managing overage

Let's imagine that Margie's Travel purchase Teams Phone with Calling Plan licenses for their 10 users. Each license includes 120 minutes for domestic calling and is pooled at the tenant level such that any of the 10 users can use the 1,200 minutes. When this pool of minutes is exhausted, overage needs to be enabled so that the users can continue making calls.

The capacity to accrue overage charges is not turned on as a default but can be enabled by a partner at any time. When overage is enabled, it is charged on a consumption basis against a nominated Azure subscription.

You manage overage within Partner Center on the main subscriptions page where a **Manage overage** option appears when a license that could incur overage charges is purchased:

| License-based | | Manage overage | |
|---|------------|--------------------------------|--------------------------------------|
| Name | Quantity | Status | |
| Teams Phone with Calling Plan By Microsoft Corporation | 1 Licenses | Auto renews on 4/1/2022 | <div>New Commerce Experience</div> ▼ |

This is the **Manage Overage** screen that appears when this option is selected:

Manage Overage

One or more of your subscriptions include overage capabilities. This allows users to continue using the service after exceeding the monthly limit. Overage charges will be billed to the subscription you select from the list below.

Important: If you enable overage, you may be billed for services acquired by other channels or partners. [Learn more](#)

Phone Services overage: Current: None

Change to:

Select an option
▼

In the **Phone Services overage** part of the screen, you can see that it's currently set to **None**, so no overage charges will be incurred. The drop-down box allows you to select an

existing Azure subscription for overage charges to be charged to, or to create a new subscription for these charges. This is what the partner sees for Margie's Travel:

Change to:



The image shows a user interface element for selecting an Azure subscription. It consists of a dropdown menu with a light gray border. The top part of the menu is a header bar with the text "Select an option" and a small downward-pointing chevron icon on the right. Below this header, the menu is open, showing a list of options. The first option is "Create and assign new subscription 'Subscription 1'", which is highlighted with a light gray background. Below it are two other options: "Research (b71624c4-bc82-4f39-972c-384abbee58d2)" and "Marketing (9ee61ecf-50ff-4316-a6ab-aa3360dd9440)". At the bottom of the list is the option "None".

They have two Azure subscriptions which they use for Azure resources dedicated to each of those departments. You can't choose multiple Azure subscriptions in this drop-down box so it's likely to be most convenient for Margie's Travel if their partner chooses to create a new subscription especially for this overage across the whole organization.

Note that that the customer's Azure subscriptions must be under the Azure plan, rather than legacy Azure subscriptions. If a customer did not have any Azure subscriptions at all, only the top option shown in the drop-down box would be available and selecting it would create an Azure plan with the first subscription, which would be used for the overage. If a customer has legacy Azure subscriptions, they must be migrated to the Azure plan before overage can be enabled.

19.4. Managing overage across multiple telco offers

There is only one type of overage in the new commerce experience currently, so overage is either on or off for all of the telco offers – it can't be controlled on a license-type basis. So, for example, if Margie's Travel have currently purchased Teams Phone with Calling Plan licenses for some users and overage has been enabled, that overage is also enabled when they purchase Domestic and International Calling Plans for other users.

19.5. Managing overage across multiple partners

Overage is either on or off on a customer's tenant, and this applies across multiple partners. Let's imagine that Margie's Travel purchase Teams Phone with Calling Plan licenses from one partner and enable overage on an existing Azure subscription. If they then purchase Domestic and International Calling Plans from another partner, that partner cannot control the overage settings, and any overage incurred on these licenses will be billed to the first partner.

If the first partner set the overage subscription to **None**, then the second partner could turn on overage by choosing a new or existing Azure subscription, and all overage charges would subsequently be charged to them.

19.6. Pricing, margins and cost management

There is no margin on the prices for calling minutes – partners are charged the rates as detailed on the public site here:

<https://www.microsoft.com/en-us/microsoft-teams/microsoft-teams-phone>.

There is also no Partner Earned Credit paid on the overage charges billed against the Azure subscription.

Partners can manage overage costs using the Azure cost management capabilities and features available in the Azure portal (portal.azure.com).

20. Home Use Program

20.1. Overview

The Home Use Program allows the employees of eligible customers to purchase Microsoft 365 Family and Personal subscriptions at a 30% discount. In some markets employees also receive up to 10% discount on Surface devices and accessories.

20.2. Customer eligibility

Customers eligible for the Home Use Program are those who have 2,000 licenses of any of the following products: Office 365 E3, Office 365 E5, Microsoft 365 E3, or Microsoft 365 E5. They may have 2,000 licenses of a single type, or any combination of the four different products. It doesn't matter how the customer has acquired the licenses – through Web Direct, an EA, or CSP (new commerce experience and/or the legacy commerce system) – because the licenses are totaled across the whole customer tenant.

20.3. Gaining access to the Home Use Program

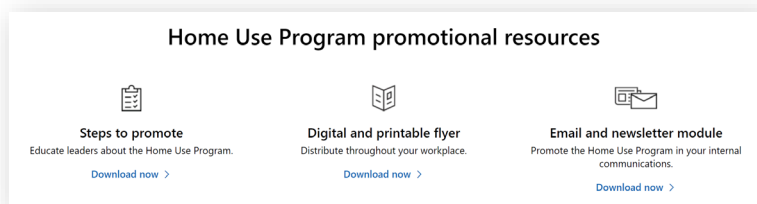
Customers must contact Microsoft Support to initiate an eligibility review for the Home Use Program. When Microsoft Support has confirmed that the customer is eligible, the Global Admin of the customer tenant will receive an email notification with instructions on how to proceed: they must go to the Microsoft Store for Business, accept some terms and conditions, and then invite any members of their organization to the Home Use Program.

20.4. Employee use of the Home Use Program

Invited employees use their personal credentials to order a Microsoft 365 Family or Personal subscription. If they continue to renew their subscription after the first year, they will continue to receive the promotional price, regardless of whether they still work for the eligible customer.

20.5. Home Use Program promotional resources

Customers who want to promote the Home Use Program to their employees can make use of resources here: <https://www.microsoft.com/en-us/home-use-program/resources>.



21. Migrating legacy subscriptions into the new commerce experience

21.1. Overview

Legacy subscriptions do not need to be moved to the new commerce experience; they will operate under all the original legacy commerce rules until they come to the end of their term. This means that licenses may continue to be added and removed from these subscriptions. However, legacy subscriptions can be moved to the new commerce experience at any time, and this is known as migration.

21.2. Renewing legacy subscriptions

If a legacy subscription comes to the end of its term before July 2022, then the subscription will automatically renew in the legacy commerce experience. If it comes to an end after July 2022, then it will not renew, the subscription will enter the Expired state (see the [Subscription states](#) section). This gives end-users 30 days to continue using the services, but to maintain long-term access, the partner should migrate the subscription to the new commerce experience before the end of the term.

21.3. Legacy subscriptions eligible for migration

Legacy subscriptions can be migrated to the new commerce experience when there is an equivalent offer available in the new commerce experience. This means that the following legacy subscriptions CANNOT be migrated:

- Subscriptions with a promotion that is not available in the new commerce experience
- Government, Education, or nonprofit subscriptions
- Subscriptions for retired or obsolete offers

In addition, trial and inactive subscriptions cannot be migrated, nor can subscriptions that were purchased (started) less than a month ago.

21.4. Migrating legacy subscriptions

An eligible legacy subscription can be migrated to the new commerce experience at any time and it is an action that is performed on a single subscription and is not reversible. If you're using the Partner Center interface you can click on the [Migrate to New Commerce Experience](#) option when you're editing a subscription:

Microsoft 365 Business Basic

Subscription ID: 0FB88FA1-76A3-47D7-BC03-16061DF50F35
Billing frequency: Monthly

Details

Subscription nickname *

Microsoft 365 Business Basic

Quantity *

1 Licenses

Status

☒ Active
Renews on Thursday, December 8, 2022

☐ Suspended

Billing frequency

☒ Monthly

☐ Annual

It's then possible to change the subscription options, where the quantity, term and the billing frequency options may be chosen:

Details

Quantity *

1 Licenses

Term: Current: Annual

☐ Start new term in New Commerce Experience

Change to :

No Change

Billing frequency: Current: Monthly

Change to :

No Change

Submit Cancel

An additional option available when the subscription is being migrated to the new commerce experience is the opportunity to choose to start a new term for the subscription when it is migrated. This will affect the end-date of the subscription. Imagine that Margie's Travel have a legacy subscription for Office 365 E3 with an end-date of November 15, 2022, that their partner decides to migrate to the new commerce experience on May 5, 2022. If the partner chooses to start a new term, then the new commerce experience subscription will end on May 4, 2023, but if they do not, it will end on November 15, 2022.

Behind the scenes, clicking on the **Migrate to New Commerce Experience** option creates an equivalent subscription in the new commerce experience and when that has been completed successfully, the legacy subscription is suspended. If required, a partner could carry out these actions manually, but note that they would not have the option to carry over the existing end-date of the legacy subscription as described above.

21.5. Migrating legacy subscriptions and coterminosity

If you choose to use the migration tool (clicking on the **Migrate to New Commerce Experience** option) you will have no opportunity within that process to make the new commerce experience subscription coterminous with any other subscription; your first opportunity to do this will be to schedule it to happen at renewal. If you need to migrate a legacy subscription to the new commerce experience and to make it coterminous with an existing subscription, you should carry out the migration process manually. In other words, transact a new subscription in new commerce and make it coterminous with the required subscription, and then suspend the legacy subscription.

21.6. Billing for migrated subscriptions

When a partner clicks on the **Migrate to New Commerce Experience** option a new subscription is created in new commerce with the options chosen by the partner in the dialog box shown above. The price for the new subscription is taken from the current price list rather than taking the price from the legacy subscription. This means that if a promotion is active, that promotional price will be applied to the subscription, and will last for the duration of the term. The 168-hour cancellation policy applies to subscriptions migrated to the new commerce experience.

When a legacy subscription is migrated to the new commerce experience, partners are refunded on a prorated basis for any unused days of the subscription that have already been paid for. These refunds will be included in the invoice from the legacy commerce system. Invoicing then starts in the usual way in the new commerce system.

22. Promotions

22.1. Overview

In March 2022 there are two key promotions available to encourage the move to the new commerce experience:

- 1-year SKUs: 5% discount off the usual price, running until March 31, 2022, billed either monthly or annually
- 1-month SKUs: discount to match usual monthly price for 1-year SKU until June 30, 2022

22.2. Promotion availability

You can find a list of all the offers that the current promotions apply to in the Global Promo Readiness Guide which can be located [here](#). A snippet of that document is shown below:

Annual 5% Promos

| Promo name | Product ID | SKU ID | Term | Billing |
|---|--------------|--------|------|---------|
| Common Data Service File Capacity | CFQ7TTC0LHQ3 | 0001 | P1Y | Annual |
| Common Data Service Database Capacity | CFQ7TTC0LHRL | 0002 | P1Y | Annual |
| Dynamics 365 Customer Insights | CFQ7TTC0LH3J | 0002 | P1Y | Annual |
| Dynamics 365 Customer Insights Attach | CFQ7TTC0LH3J | 0003 | P1Y | Annual |
| Dynamics 365 Marketing Interactions Add on pack: Tier 1 | CFQ7TTC0HX6F | 0001 | P1Y | Annual |
| Common Data Service Log Capacity | CFQ7TTC0HBSL | 0001 | P1Y | Annual |
| Common Data Service Log Capacity | CFQ7TTC0HBSL | 0001 | P1Y | Monthly |
| Dynamics 365 Customer Insights Addnl Profiles | CFQ7TTC0LH3J | 0001 | P1Y | Annual |
| Dynamics 365 Customer Insights Attach | CFQ7TTC0LH3J | 0003 | P1Y | Monthly |
| Common Data Service File Capacity | CFQ7TTC0LHQ3 | 0001 | P1Y | Monthly |
| Dynamics 365 Marketing Interactions Add on pack: Tier 1 | CFQ7TTC0HX6F | 0001 | P1Y | Monthly |
| Dynamics 365 Customer Insights Addnl Profiles | CFQ7TTC0LH3J | 0001 | P1Y | Monthly |
| Common Data Service Database Capacity | CFQ7TTC0LHRL | 0002 | P1Y | Monthly |

22.3. Promotion eligibility

All commercial customers are eligible for the 1-month and 1-year promotions, and the discounts are applied automatically to eligible orders. The promotions are restricted to 2,400 licenses for each license type across all CSP partners.

Let's imagine that Margie's Travel order 1,000 licenses for Office 365 E3 from their partner. That order will be processed and the promotion applied successfully. Margie's Travel could order another 1,400 Office 365 E3 licenses from the same or any other CSP partner and the promotional discounts will be applied. They may order 2,400 of any other license type (Office 365 E5, for example), and the relevant promotion will be applied.

However, what happens if they now order 1,500 Office 365 E3 licenses from their partner? This order would take the total number of licenses over the promotion limit of 2,400. In this case, the order is transacted but the promotion discount is not applied to any of the licenses. To receive the maximum promotion discount in this case, the partner should

transact one order of 1,400 licenses and another for the remaining 100 licenses. The promotion will be applied to the first order only.

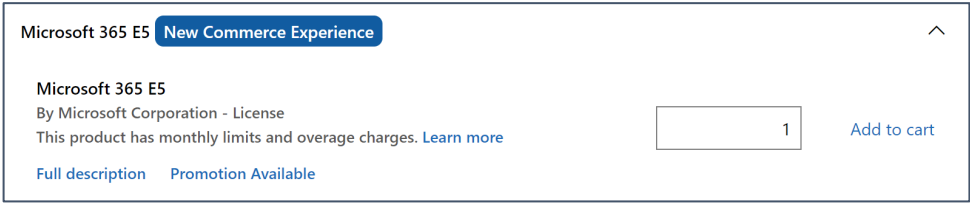
Note that there is no restriction on the number of subscriptions that these promotions are applied to. Margie’s Travel may have their eligible 2,400 licenses in any number of subscriptions with any number of partners.

Note also that the total number of licenses for Office 365 E3 is across all terms and billing frequencies. So, Margie’s Travel may NOT purchase 2,400 Office 365 E3 1-year licenses AND 2,400 Office 365 E3 1-month licenses and receive the promotional discounts on all licenses. They can, however, combine Office 365 E3 across terms and billing frequencies. For example, the maximum promotion discounts would be applied across 1,000 Office 365 E3 1-month + 1,000 Office 365 E3 1-year, annually billed + 400 Office 365 E3 1-year, monthly billed licenses.

Partners can use APIs to identify the remaining number of licenses eligible for the promotional discount for any license type. This information is not available from within Partner Center.

22.4. Viewing promotions in Partner Center

You can see whether a promotion is available for a particular offer as you transact it through Partner Center. In the diagram below you can see a **Promotion Available** link:



Clicking on this link will show the actual promotions that are available:

Available promotions

Customer eligibility will be validated when reviewing the cart

Microsoft 365 E5
ID : 39NFJQT1PGVJ:0041:39NFJQT1Q4LF

New Commerce Launch Promotional Discount

| | | | |
|--------|-------------------|----------|------------|
| Term | Billing frequency | Discount | End date |
| Annual | Annual | 5.00% | 31/03/2022 |

Microsoft 365 E5
ID : 39NFJQT1PGVJ:0042:39NFJQT1Q4CS

New Commerce Launch Promotional Discount

| | | | |
|--------|-------------------|----------|------------|
| Term | Billing frequency | Discount | End date |
| Annual | Monthly | 5.00% | 31/03/2022 |

Microsoft 365 E5
ID : 39NFJQT1PHSN:000P:39NFJQT1Q5J9

New Commerce Launch Promotional Discount

| | | | |
|---------|-------------------|----------|------------|
| Term | Billing frequency | Discount | End date |
| Monthly | Monthly | 16.67% | 30/06/2022 |

Cancel

When you review the cart, you should check that there is Promotions information as shown below – this indicates that a promotion discount will be applied to the order:

Microsoft 365 E5 **New Commerce Experience**

By Microsoft Corporation - License

Term

Monthly

Billing frequency

Monthly

Promotions

Microsoft 365 ...[Details](#)

Clicking on the **Details** button will show exactly which promotion discount will be applied:

Promotion Details

Microsoft 365 E5
ID: 39NFJQT1PHSN:000P:39NFJQT1Q5J9

New Commerce Launch Promotional Discount

| | | | |
|---------|-------------------|----------|------------|
| Term | Billing frequency | Discount | End date |
| Monthly | Monthly | 16.67% | 30/06/2022 |

Done

22.5. Adding licenses

Licenses may be added at any time into a subscription which has a promotional discount applied and those licenses will be charged at the discounted price on a prorated basis in the usual way. See the [Adding licenses](#) section.

22.6. Reducing licenses and canceling subscriptions

A subscription to which a promotional discount has been applied behaves in exactly the same way as a regular subscription. Thus, licenses may be reduced or the subscription canceled in the first 168 hours. See the [Reducing licenses](#) and [Canceling subscriptions](#) sections.

22.7. Subscription renewal

When a subscription to which a promotional discount has been applied auto-renews, if the promotion is still active, it will again be applied automatically to the renewing subscription. For example, if Margie's Travel ordered 25 1-month term Office 365 E3 licenses on March 15, 2022, the promotional discount would have been applied. When that subscription renews at the end of April 14, 2022, the promotion is still active and thus is applied to the renewed subscription.

23. Change log

| Date changed | Section | Change made |
|----------------|--|---|
| April 13, 2022 | 21.2 Renewing legacy subscriptions | Changed date of end of legacy renewals from July 14, 2022, and legacy subscriptions to July 2022. |