



Services Provider License Agreement Licensing Guide



Executive summary

What is this guide?

This licensing guide provides an in-depth overview of the Services Provider License Agreement (SPLA) and how it works. It is designed to be an ongoing resource to partners throughout the lifecycle of their SPLA.

Who is this guide intended for?

- Service providers who are considering SPLA and are looking for more details about eligibility and requirements
- Service providers who have just signed an SPLA and are looking for guidance on participation
- Service providers with specific questions about the agreement

Note: This licensing guide will be updated periodically. Please check www.microsoft.com/licensing to get the latest version.





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Services Provider License Agreement

With the Microsoft Services Provider License Agreement (SPLA), service providers and independent software vendors (ISVs) can license eligible Microsoft products on a monthly basis, during a three-year agreement term, to provide software services and applications to end users. The SPLA provides the license rights to host specific Microsoft products as outlined in the Microsoft Service Provider Use Rights (SPUR).

Service providers offer a variety of software services to end users such as access to third-party software, platform infrastructure services, business transaction services, web hosting and streaming media services, and line-of-business (LOB) applications for a specific business purpose, in a particular industry or sector. Service providers offer end users direct or indirect access to products that interact with Microsoft server licensed products offered as software services.

Software services are services that you provide to your end users that make products available and that display, run, access, or otherwise interact with Microsoft products.

Specifically, you are a service provider if you provide the following software services to your end users

- Your organization provides your end users with direct or indirect access to products such as hosted websites or LOB applications through Microsoft server products.
- Your organization offers your end users software services that interact with Microsoft products. In this scenario, you, not your end user, are the licensee.
- Your organization facilitates the end user's business, including business transactions with third parties, through software services that interact with Microsoft products.
- Your organization provides your end users with access to and use of any application as a software service, Microsoft or otherwise, and the application is running on a server and interacts with a Microsoft product on that server.
- Your organization offers other service providers platform infrastructure services to use and run any Microsoft or third-party application. This, in turn, allows these other service providers to offer Microsoft applications as a software service to their end users through their own SPLA.

The SPLA program is an excellent opportunity for service providers to offer end users a way to acquire software services and the associated Microsoft products so that the end users don't have to acquire and deploy their own licensed products. In addition, end users can benefit from the flexibility, cost, and management efficiencies of a shared infrastructure. The SPLA program provides a streamlined way for services providers to give their end users access to fully licensed Microsoft products as software services. Because the services provider—not the end user—is the licensee, the SPLA program reduces the complexity of offering software services and puts licensing and compliance in the hands of the service provider.



Benefits

- **Deliver a customized service.** Flexibility to deliver tailored IT services to your end users through a dedicated or shared hosting environment. Increase the value of your services by managing software use rights for your end users.
- **Pay as you go with no up-front costs.** Pay only for licenses based on what you make available to provide software services for each month. There are no start-up costs or long-term commitments.
- **Access the most current product versions.** Give your end users the most current and capable Microsoft platform. Download your products at no charge through the Microsoft Volume Licensing Service Center (VLSC) instead of ordering physical media.
- **Offer software services worldwide.** Use Microsoft products to deliver software services to end users in and from any part of the world where distribution is legally allowed.

- **Expand distribution capabilities through Software Services Resellers.** Expand business reach to small and midsize businesses providing software services through other resellers.
- **Use Data Center Providers for infrastructure capabilities.** Have the option to focus on hosting your application solutions and acquire infrastructure as a service (IaaS) from a Data Center Provider, including Microsoft Azure. (Azure is also considered a Data Center Provider).
- **Take advantage Data Center Outsourcing.** Install Microsoft products on servers under the day-to-day management and control of an outsourcing company to deliver your software services based on your capacity and server management capabilities. The outsourcer can then perform data center administration, testing, and maintenance support services on the end user's behalf.

- **Try before you buy.** Test and evaluate products internally before offering them to your end users as a service.
- **Install at end user facilities.** Deliver software services on servers that are located on an end user's premises under your management and control.
- **Expand your reach to academic institutions.** Expand your business with specific price offerings available to academic organizations through the SPLA.
- **Offer demonstrations and evaluations.** You can give up to 50 user product demos on Microsoft software and provide your end users with a free 60-day trial period.
- **Include your affiliates** under a single agreement.
- **Master agreement with the Microsoft Business and Services Agreement (MBSA).** Once an MBSA is in place, you only need to sign a shorter and more simplified SPLA every three years. It also makes it easier to purchase Premier and Professional support.

Eligibility

Business models and scenarios that the SPLA may be appropriate for include the following:

- ▶ Application service providers
- ▶ Messaging or collaboration service providers
- ▶ PC rental companies
- ▶ Web hosting providers
- ▶ ISVs that provide hosted applications
- ▶ Business process outsourcers (BPO)
- ▶ IT outsourcers that provide business transaction services
- ▶ Platform infrastructure providers
- ▶ Streaming media providers
- ▶ Web or Internet service providers

Requirements

Enroll in the Microsoft Partner Network

You must be a member of the Microsoft Partner Network (MPN).

Designate a cloud services reseller

Work with a cloud services reseller to complete the SPLA and MBSA. The reseller collects your monthly use report or zero use report and submits it to Microsoft; collects payment for the licenses made available to users during the previous month; and assists you on all aspects of the SPLA program.

Sign a Microsoft Business and Services Agreement or link to an existing

Service providers that have an existing MBSA through another Commercial Licensing Agreement should work with their Microsoft account manager and/or cloud services reseller to link the MBSA to their SPLA. Service providers without an existing MBSA are required to sign one the next time they sign a SPLA. If you don't have an MBSA, you will be asked to sign one when you sign the SPLA.

Comply with the Services Provider Use Rights

The SPUR specifies use rights and conditions that apply to a end user's use of the products licensed under the SPLA. Microsoft can revise the SPUR at any time to add enhancements or to add new product versions. The SPUR is updated monthly and can be found at www.microsoftvolumelicensing.com/documentsearch.aspx.

Provide monthly reporting on software licenses

Submit either a monthly use report of at least US\$100 or zero use report (non-consecutive) to your SPLA reseller. You must also report on all licenses that you made available to your end users for your affiliates and software services resellers.

Submit a monthly invoice payment

You are responsible for submitting your payment to the reseller by the agreed date based on the number of licenses reported in your monthly use report.

Provide technical support

You are responsible for providing technical product support for the Microsoft products you deliver to your end users.

Abide by copyright guidelines, the use of trademarks, and antipiracy obligations

Service providers who sign a SPLA must abide by the requirements for preventing the piracy of Microsoft licensed products and must comply with trademark and logo use requirements and anti-corruption laws, and pass-through copyright and similar notices.

Agree to participate in Microsoft SPLA audits

Establish and maintain accounting practices that enable Microsoft and/or its designees to review your records and facilities (including the data centers) to verify compliance and conduct on-location audits if needed. Do not have undisclosed or unrecorded accounts for any reason.

Comply with export requirements

Comply with all applicable export laws, and it is recommended that you obtain legal advice regarding the export laws applicable to your business. See www.microsoft.com/exporting.

Agreement structure

Microsoft Business & Services Agreement

SPLA

Amendments

Licensing models available

Licenses acquired under the SPLA are monthly subscription licenses. Please note that not all products are available in the three license models. For a list of Microsoft products available for each license model, review the [Services Provider Use Rights \(SPUR\) document](#).

Per Subscriber



A Subscriber Access License (SAL) is required for each unique individual user or device that is authorized to access or otherwise use the licensed products. When using the SAL option, a separate Server License is not needed.

Examples

- Microsoft Exchange Server
- Microsoft Office
- Microsoft Dynamics business software (CRM)

Per Processor



Each Processor License allows an unlimited number of users to access the product that is installed on the server without a separate SAL.

Examples

- Microsoft Dynamics ERP products (for example, NAV, GP)

Per Core



Each Core License (CL) allows an unlimited number of users to access the server software installed on the server without a separate SAL with a determined number of physical cores for products licensed through a per-core model.

Examples

- Microsoft SQL Server
- Microsoft BizTalk Server

Agreement terms



The agreement term is three years. At the end of three years, you can sign a new agreement or let the agreement expire.



You must request a “wind-down period” at least 30 days before your agreement expires. You can only request this if you are not signing new agreements and need to provide software services beyond the end of the agreement to existing agreements. You cannot provide software services to any new end users or extend any existing end user agreements.



You can terminate the agreement with 60 days prior written notice to Microsoft. Within 30 days of your agreement terminating or expiring, you are required to remove all copies of client software from your end users’ desktop PCs and ensure that your end users return or destroy all copies of client software.

Participating in the SPLA

After successfully enrolling in the SPLA program, the following are the key steps for participation:

- Obtain master copies of the Microsoft products. You can either download the media through the Microsoft VLSC or purchase media fulfillment kits for a minimal cost.
- Provide software services that interact with Microsoft products to your end users. For example, provide your end users with access to hosted websites or LOB applications through Microsoft software products.
- Ensure that your end users have agreed to and are provided the required end user terms and use rights.
- As a SPLA partner, you can be eligible to become an Authorized Mobility Provider. Your organization's name will be added to the list of authorized partners. Visit License Mobility through Software Assurance or contact your reseller for more information. Visit [License Mobility through Software Assurance](#) or contact your reseller for more information.

Product availability

You can access a wide selection of Microsoft products through the SPLA. Download the most recent SPUR document to learn how available products are licensed. Some of the top SPLA-selling licensed products, ranging from IT solutions to office productivity, are listed below:

- Windows Server
- Microsoft SharePoint Hosting Server
- Microsoft System Center
- Microsoft Skype for Business Server
- Microsoft SQL Server
- Microsoft SharePoint Server
- Microsoft Exchange Server
- Microsoft Dynamics ERP products
- Microsoft Dynamics business software
- Microsoft Office

To install all editions of Microsoft licensed products, you must use the software that you download from the Volume Licensing Service Center (VLSC) or get from your reseller. Only the software from both of these methods allow for multiple installs by using a Volume License Product Key. Instructions on how to set up an account and access the VLSC are included in your welcome letter.

Pricing

Pricing

To find out the price you are charged for each Microsoft product offered through the SPLA program, please contact your SPLA reseller.

Academic pricing

Academic pricing on selected products is available when you deploy services to qualified education users. Learn more about the [Qualified Educational User](#).

Government pricing

SPLA partners have an option to provide eligible government organizations with already established pricing through Framework agreements when providing software services through SPLA in some countries. Learn more about the [government eligibility requirements](#).

Price changes

Microsoft can decrease the price in the SPLA Reseller's price list at any time. Microsoft can increase the price in the SPLA Reseller's price list only once each calendar year on January 1 and at any time to offset exchange rate fluctuations for prices other than US dollars. If Microsoft increases the price of a particular version of a product after you sign your agreement, you are invoiced by your SPLA Reseller at the price in effect for that particular product at that time. The SPLA reseller has the right to transfer Microsoft price increases to their price lists and to you as a SPLA partner.

Reporting

You are required to submit either a monthly use report or zero use report monthly on all licenses that you make available to your end users.

Monthly use reporting

The monthly use report must include the total number of licenses required for each product that you made available during the preceding calendar month. If the end user generated more than US\$1,000 per month in revenue to Microsoft, you must include the user's name and address. You do not need to include demonstrations, evaluations, your organization's evaluation and testing of licensed products, or server administration and maintenance on your monthly use reports. In addition, after the first six months from the effective date of your agreement, you must begin to report at least US\$100 per month to maintain your SPLA agreement active.

If you need to make adjustments or revisions to your report resulting in reduced license fees to Microsoft, you must submit the revised monthly use report with a detailed explanation within 60 days from the original invoice date.

Final monthly use report or zero use report

When your agreement terminates or expires, you must submit a final monthly use report or zero use report within 30 days. The report needs to include the use of licensed products up to the date of your termination or expiration.

Service providers must maintain all reporting records for the products used under the program. In addition, you must be prepared to submit these records if audited.



Zero use reporting

If your organization did not use any of the licensed products to provide software services to your end users during the previous calendar month, you must submit a zero usage report. You may submit consecutive zero usage reports for the first six months immediately following the signing of your SPLA agreement. It is important to note that after the first six months from the effective date of your agreement, you must begin to report at least US\$100 per month to keep your SPLA agreement active. From usage month seven onward if you submit a zero usage report or less than US\$100 per month your agreement may be terminated.

An authorized representative of your organization must certify that the monthly use report or zero use report is accurate and complete. If you do not submit a report by the due date each month, your organization will not be compliant with the agreement.

If your organization has affiliates and software services resellers, you are responsible for consolidating their license use in your monthly use report or zero use report. Your affiliates and software services resellers do not submit a report.

Enrolling in the Services Provider License Agreement

How to enroll

1. Enroll in the Microsoft Partner Network.
2. Sign the SPLA and either sign a new MBSA or link an existing one to the SPLA. To link to an existing MBSA, provide the MBSA number to your reseller.
3. After Microsoft has received your SPLA and verified your existing MBSA status (or processed a new MBSA), a welcome letter is sent that contains an agreement number. Details on how to obtain media and product key activation are listed above.

For the most current information on the SPLA, visit the [Microsoft Partner Network](#).

Resources

Where to learn more

- Microsoft Worldwide Commercial Licensing www.microsoft.com/licensing
- Services Provider License Agreement www.microsoft.com/licensing/licensing-options/spla-program.aspx
- Microsoft Hosting Solutions www.microsoft.com/hosting/
- Microsoft Services Provider Use Rights www.microsoftvolumelicensing.com/DocumentSearch.aspx?mode=1
- Microsoft Online Services www.microsoft.com/licensing/onlineservices
- Microsoft Volume Licensing Service Center www.microsoft.com/licensing/servicecenter
- License Mobility through Software Assurance www.microsoft.com/licensing/software-assurance/license-mobility.aspx

Academic, government, and charitable organizations

If you are affiliated with an academic, government, or charitable organization there are additional Commercial Licensing programs available to you, which may include additional partner and pricing advantages. Visit the [Microsoft Commercial Licensing website](#) for more information.



Affiliates

A legal entity that owns, is owned, or is commonly owned by or with a party. Own means holding or controlling greater than 50 percent of the shares, interests, or assets of a legal entity.

Agreement Number

The unique number Microsoft assigns to the company after Microsoft has received the company's Services Provider License Agreement.

Company

The entity that has signed the agreement signature form and the company's affiliates that have been granted rights under the agreement.

Data Center Provider

An entity that provides software services, usually infrastructure services to another Service Provider, using products licensed from Microsoft through their own SPLA.

Effective Date

The date on which the term of a licensing agreement commences—typically the date on which Microsoft accepts the agreement.

Product Terms

The document entitled "Product Terms" applicable to the licensed products. Microsoft provides a form of the license terms to the organization. Microsoft may update the form of the license terms from time to time.

Service Device

A personal computer (desktop PC or laptop) or server containing products that are fully owned or leased by a company, which is rented/leased to an end user, whether or not the company receives payment for such a rental/lease.

Services Provider Use Rights (SPUR)

Use of any product that is covered under the SPLA is governed by Services Provider Use Rights, which contain the use rights for the products.

Software Documentation

Any documents included with a licensed product.

Software Services Reseller

A legal entity that sells a Service Providers software.

Zero Use

A service provider did not distribute to its users any of the Microsoft products under the SPLA as a part of delivering services during the reporting period.