

Program Guide

Microsoft Services Provider License Agreement



Microsoft Services Provider License Agreement

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Microsoft 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 host software services and applications to end customers. The SPLA program provides the license rights to host specific Microsoft Products as outlined in the Microsoft Service Provider Use Rights (SPUR).

What Is a Service Provider?

Service providers offer a variety of software services to customers, 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 customers direct or indirect access to products that interact with Microsoft server licensed products ("Products") offered as software services.

Specifically, you are a service provider if you provide the following software services to your customers:

- ▶ Your organization provides your customers with direct or indirect access to products such as hosted websites or LOB applications through Microsoft server products.
- ▶ Your organization offers your customers software services that interact with Microsoft Products. In this scenario, you, not your customer, are the licensee.
- ▶ Your organization facilitates your customer's business, including business transactions with third parties, through software services that interact with Microsoft Products.
- ▶ Your organization provides your customers 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 customers through their own SPLA.

Software Services

Software services are services that you provide to your customers that make products available and that display, run, access, or otherwise interact with Microsoft products. You provide these services from one or more data centers through the Internet, a telephony network, or a private network on a rental, subscription, or services basis, whether or not the service provider receives a fee. The SPLA makes offering software services easier because you are the licensee, not the customer.

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Benefits

The SPLA Program is an excellent opportunity for service providers to offer customers a single point through which to acquire software services and the associated Microsoft Products so that the customers do not have to acquire and deploy their own licensed products. In addition, customers can leverage the flexibility, cost, and management efficiencies of a shared infrastructure. The SPLA Program provides a more streamlined way for services providers to give their end customer's access to fully licensed Microsoft Products as software services. Because the services provider—not the end customer—is the licensee, the SPLA Program reduces the complexity of offering software services.

Deliver a customized service. Flexibility to deliver tailored IT services to your customers through a dedicated or shared hosting environment. Increase the value of your services by managing software use rights for your customers.

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 customers 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 customers 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 additional resellers.

Leverage 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 Windows Azure. (Windows Azure is also considered a Data Center Provider)

Leverage 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 customer's behalf.

Try before you buy. Test and evaluate products internally before offering them to your customers as a service.

Install at customer facilities. Install Microsoft products on servers that are located on an end customer's premises under your management and control.

Expand your reach to academic institutions. Expand your business with specific price offerings available to your academic customers through the SPLA.

Offer demonstrations and evaluations. You can give up to 50 user product demos on Microsoft software and provide your customers with a free 60-day trial period.

Include your affiliates under a single agreement.

Simplified licensing 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.

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Eligibility for the Services Provider License Agreement Program

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 applications¹
- ▶ Business process outsourcers (BPO)
- ▶ IT outsourcers that provide software licenses
- ▶ Platform infrastructure providers
- ▶ Streaming media providers
- ▶ Web or Internet service providers

Program Requirements

This section describes the requirements your organization must meet for the SPLA:

- ▶ **Enroll in the Microsoft Partner Network.** You must be a member of the [Microsoft Partner Network \(MPN\)](#).
- ▶ **Sign a Microsoft Business and Services Agreement.**
 - Service providers that have an existing MBSA through another Volume Licensing Agreement (Enterprise Agreement, Enterprise Subscription Agreement [EAS], Select Plus, or ISV Royalty Licensing) should work with their Microsoft account manager and/or reseller to provide their MBSA number and link the MBSA to their SPLA.
 - Service providers without an existing MBSA are required to sign one the next time they sign an SPLA.
- ▶ **Designate an SPLA reseller.** Work with an SPLA reseller to complete the SPLA and MBSA. The reseller does the following:
 - 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.
 - Assists you on all aspects of the SPLA Program.
 - Select an SPLA reseller via [this list](#), located on the [Microsoft.com/hosting](#) site
- ▶ **Comply with the Services Provider Use Rights (SPUR).** The SPUR specifies use rights and conditions that apply to a customer's use of the products licensed under the SPLA. Microsoft can revise the SPUR at any time. The SPUR is updated quarterly and can be found at [microsoftvolumelicensing.com/userights/documentsearch](#).
- ▶ **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 customers for your affiliates and software services resellers.

Note: You may submit consecutive zero usage reports for the first six months immediately following the signing of your SPLA agreement. After the first six usage months, you must begin reporting at least US\$100 per month to keep your SPLA agreement active.
- ▶ **Submit a monthly invoice payment.** The SPLA reseller invoices you monthly based on the number of licenses reported in your monthly use report. You are responsible for submitting your payment to the SPLA reseller by the agreed date.

¹ If you are an ISV, you may offer software services built on your intellectual property (IP) to your customers through servers connected to the Internet or a private network. If Microsoft Products are used to provide these services, it can be licensed through your own internal-use Volume Licensing Agreement, with the requirements as described in the PUR. In this case, an SPLA is not required. The Microsoft Products must indicate "Self-Hosted Applications: Yes" in the Product-Specific License Terms section of the Product Use Rights (PUR). Microsoft Software Assurance is required for all Microsoft licenses used in the delivery of your Unified Solution to your customers.

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Program Requirements (Continued)

- ▶ **Abide by copyright guidelines, the use of trademarks, and antipiracy obligations.** Service providers who sign the SPLA must abide by the requirements for preventing the piracy of Microsoft licensed products and must comply with trademark and logo use requirements and pass-through copyright and similar notices. You must include Microsoft's copyright notice on any documentation, including online, for your products and services that include Microsoft Products. Affiliates must also follow these requirements.
- ▶ **Provide technical support.** You are responsible for providing technical product support for the Microsoft Products you deliver to your customers.
- ▶ **Agree to participate in Microsoft SPLA audits.** Microsoft and/or its designees can review your records and facilities (including the data centers) to verify compliance and conduct on-location audits if needed.
- ▶ **Comply with the export requirements.** You need to comply with all applicable export laws, and it is recommended that you obtain legal advice regarding the export laws applicable to your business. For informational purposes only, Microsoft has collected information on export requirements and other information, including US export regulations, product Export Control Classification Numbers (ECCNs), and export-restricted products at <http://www.microsoft.com/exporting/>.

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 [SPUR document](#).

The following are the licensing models:

- **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 of products licensed with a SAL are Microsoft Exchange Server, Microsoft Office, and Microsoft Dynamics business software (CRM).
 - **SALs for Software Assurance ("SALs for SA")** are available for some products to be assigned to customers who have previously purchased on-premises Client Access Licenses (CALs) under their separate VL agreement with Microsoft and who continue to maintain Software Assurance on those CALs. With SALs for Software Assurance, these customers can leverage their CALs with active Software Assurance to access an equivalent SPLA software service in the Partner's hosted environment. If your customers already have CALs with Software Assurance, you can purchase SALs for SA at a discounted price versus regular SALs, for these customers.
- **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 of products licensed through a per-processor model are Windows Server, and Microsoft Dynamics ERP Products (e.g. 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 of products licensed through a per-core model are Microsoft SQL Server and Microsoft BizTalk Server.

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Participating in the Services Provider License Agreement Program

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 customers. For example, provide your customers with access to hosted websites or LOB applications through Microsoft software products.
- ▶ Ensure that your customers have agreed to and are provided the required Microsoft End User license terms and use rights.
- ▶ Sign the License Mobility Addendum if you plan to become an Authorized Mobility Partner. Your organization's name will be added to the list of authorized partners. Visit [License Mobility Through Software Assurance](#) 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 System Center
- ▶ Microsoft SQL Server
- ▶ Microsoft Exchange Server
- ▶ Microsoft SharePoint Server
- ▶ Microsoft SharePoint Hosting Server
- ▶ Microsoft Lync Server
- ▶ Microsoft Dynamics
- ▶ Microsoft Office

Agreement Terms

The agreement term is three years. At the end of three years, you can sign a new agreement, let the agreement expire, or extend the agreement for 12 months or the longest remaining customer agreement period, whichever period is shorter.

You must request an extension at least 30 days before your agreement expires. You can only request an extension if you are not signing new customer agreements and need to provide software services beyond the end of the agreement to existing customer agreements. You cannot provide software services to any new customers or extend any existing customer 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 customers' desktop PCs and ensure that your customers return or destroy all copies of client software.

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Pricing and Reporting

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 customers. Learn more about the [Qualified Educational User](#).

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. SPLA Reseller has the right to transfer Microsoft price increases to their price lists and to you as a SPLA Partner.

SPLA Amendments

License Mobility through Software Assurance Amendment

With License Mobility through Software Assurance, Microsoft customers can deploy certain server application licenses with active Software Assurance purchased under their internal use Volume Licensing Agreement in an Authorized Mobility Partner's data center. You are required to sign the License Mobility Addendum to the SPLA to be an Authorized Mobility Partner, but you are not required to become an Authorized Mobility Partner. Visit [License Mobility Through Software Assurance](#) for more information.

Managed PC Amendment

The Managed PC Amendment allows a service provider to license and install certain Microsoft software products ("Device Software Products") on managed desktop PCs that service providers then supply physically to end customers at the end customer site on a rental or subscription basis (e.g. rental PCs). The Managed PC Amendment requires that the service provider own and manage the desktop PCs, and also must include an OEM version of the Windows Desktop Operating System. SPLA licenses for Windows Desktop OS and any other Device Software Product (as defined in the amendment) installed on the rental PC must be monthly reported under SPLA.

Multi-tier Distribution Amendment

With Multi-tier Distribution structure, Microsoft SPLA Partners can resell software services to a broader group of end customers through a Distributor/VAR channel structure, without adding any primary and significant functionality. You may have several Distributors, but you are required to use a single tier Distributor and a single tier VAR for each end customer. You are required to sign the Multi-tier Channel Amendment to be able to leverage this channel structure.

(*) Microsoft Office product is not eligible for multi-tier distribution structure.

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Media and Product Keys

Media Ordering and Fulfillment

You can download Microsoft Products from the [VLSC website](#). Instructions on how to set up an account and access the VLSC are included in your welcome letter. You can also order physical media from your reseller.

Note: Although you can view your agreement details on the VLSC, your agreement is not displayed on the Microsoft Licensing Statement.

Product Key Activation

To install all editions of Microsoft licensed products, you must use the software that you download from 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. The product key is assigned to a company or organization and must be used for desktop PC or administrator installations of licensed products. To obtain SPLA Volume License Product Keys, you can either access them through the VLSC or contact [the Microsoft Activation Center](#) for your region. You will need to provide your SPLA agreement number, which is located in your welcome letter. Some software products do not require an activation key. For additional information, refer to your Microsoft licensed software product on the [Product Activation](#) website.

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 customers.

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 customer 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 customer demonstrations, customer 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 90 days from the original invoice date.

Zero Use Reporting

If your organization did not use any of the licensed products to provide software services to your customers 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 more than one 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.

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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.

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.

Enrolling in the Services Provider License Agreement Program

The following are the key steps for participating in the SPLA program.

How to Enroll—Services Provider License Agreement

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 Program, visit the [Microsoft Partner Network](#)

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Additional Resources

[Microsoft Volume Licensing](#)

[Microsoft Service Provider License Agreement Program](#)

[Microsoft Partner Network](#)

[Microsoft Partner Network - Service Provider License Agreement Program](#)

[Find a Reseller](#)

[Microsoft Hosting Community](#)

[Microsoft Hosting Solutions](#)

[Microsoft Hosting University](#)

[Microsoft Services Provider Use Rights](#)

[Microsoft Product Use Rights](#)

[License Mobility Through Software Assurance](#)

[Microsoft Volume Licensing Service Center \(VLSC\)](#)

[Partner Training with the Microsoft Partner Learning Center \(Logon Required\)](#)

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Glossary

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.

Customer License Terms

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

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.

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 a customer, 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.

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