

# Microsoft licensing agreements comparison for commercial and government



Microsoft offers commitment-based and transactional options for organizations that want to purchase Microsoft cloud services, on-premises software, and/or Software Assurance through Microsoft-assisted, partner value-added, or self-service web options. Compare the commercial and government Microsoft licensing agreements below or [compare licensing options for academic](#).

**Microsoft Enterprise Agreement and Microsoft Enterprise Subscription Agreement** are commitment-based Microsoft Volume Licensing agreements for commercial organizations signing a new enrollment with 500 or more users/devices and government organizations with 250 or more users/devices that want to license Microsoft cloud services and/or on-premises software organization-wide, over a three-year period, and at the best available pricing. Enterprise enrollments include the Enterprise Enrollment, Enterprise Subscription Enrollment, and Server and Cloud Enrollment (SCE). Software Assurance is included.

The **Microsoft Products and Services Agreement (MPSA)** is a transactional Microsoft Volume Licensing agreement for commercial and government organizations with 250 or more users/devices that want to license Microsoft cloud services and/or on-premises software as needed—with no organization-wide commitment under a single, non-expiring agreement. Software Assurance is optional.

**Microsoft Open License, Microsoft Open Value, and Microsoft Open Value Subscription** are Microsoft Volume Licensing agreements for organizations with 5 to 499 users/devices that want to license Microsoft cloud services and/or on-premises software. Open License is a transactional agreement for commercial, government, academic, and nonprofit organizations; Software Assurance is optional. Open Value non-organization-wide is a transactional agreement for commercial and government organizations; Software Assurance is included. Open Value organization-wide and Open Value Subscription are commitment-based agreements for commercial and government organizations; Software Assurance is included.

The **Microsoft Cloud Agreement** is a transactional licensing agreement for commercial, government, and academic organizations with one or more users/devices seeking to fully outsource management of their cloud services through a Cloud Solution Provider (CSP). CSPs offer an easy way to license the cloud services you need through the Microsoft Cloud Agreement in combination with the value-added services offered by your systems integrator, hosting partner, or born-in-the-cloud reseller partner. On-premises software and Software Assurance are not available through the Microsoft Cloud Agreement.

The **Microsoft Online Subscription Agreement** is a transactional licensing agreement for commercial, government, and academic organizations with one or more users/devices that want to subscribe to, activate, provision, and maintain cloud services seamlessly and directly via the web, through the Microsoft Online Subscription Program. On-premises software and Software Assurance are not available through the Microsoft Online Subscription Agreement.

# Microsoft commercial and government licensing agreements comparison

	Microsoft Enterprise agreements	Microsoft Products and Services Agreement	Microsoft Open agreements	Microsoft Cloud Agreement (through CSPs)	Microsoft Online Subscription Agreement
Offerings	Commitment-based cloud services and on-premises software	Transactional cloud services and on-premises software	Transactional (Open License and Open Value non-organization-wide) or commitment-based (Open Value agreements) cloud services and on-premises software	Transactional cloud services only	Transactional cloud services only
Agreement term	Three years	Non-expiring	Two years (Open License), three years (Open Value agreements), or one year (Open Value government agreements only)	One year (auto-renew)	One year (auto-renew)
Purchase coverage	Organization-wide	As needed	As needed (Open License and Open Value non-organization-wide) or organization-wide (Open Value agreements)	As needed	As needed
Purchase term	Three years for initial purchase, co-terminus for additional purchases	One year or shorter for select cloud services	Two years (Open License), three years (Open Value agreements), or one year (cloud services and Open Value government agreements)	One year	One year or monthly on select cloud services
Purchase term expiration	Enrollment expiration	Third account anniversary for Software Assurance; next account anniversary or multiyear for cloud services	Authorization expiration (Open License), agreement expiration (Open Value agreements), or subscription term expiration (one year for cloud services)	Subscription term expiration (one year)	Subscription term expiration (one year or monthly)
Minimum commitment	250 (for government) or 500 (for commercial) qualified devices/users per pool	500 points per product pool or 250 cloud services users by pool (per year)	Five licenses or Licenses and Software Assurance (L&SA), one user subscription license (USL), or use of Azure pay-as-you-go	One USL or use of Azure pay-as-you-go	One USL or use of Azure pay-as-you-go
Target organization size	500 or more users (250 or more users for government)	250 or more users	5 to 499 users for on-premises software; one or more users for cloud services (up to 300 USLs for Office 365 Business editions)	One or more users	One or more users
Sales model	Microsoft direct or partner indirect (based on geo and sector)	Partner indirect	Partner indirect	Partner indirect	Microsoft direct

	Microsoft Enterprise agreements	Microsoft Products and Services Agreement	Microsoft Open agreements	Microsoft Cloud Agreement (through CSPs)	Microsoft Online Subscription Agreement
Ordering	In the month of first use for the initial product order; annually for subsequent orders (per enrollment)	As needed (per purchasing account)	As needed (Open License and Open Value non-organization-wide per agreement) or in the month of first use for the initial product order and annually for subsequent orders (Open Value agreements per agreement)	As needed (per CSP)	As needed (per order)
On-premises software license	✓	✓	✓		
Non-perpetual license for on-premises software	✓ (Enterprise Subscription Agreement)		✓ (Open Value Subscription)		
Cloud services user subscription license (USL)	✓	✓	✓	✓	✓
Provisioning of cloud services prior to order	✓	✓			✓
Software Assurance	✓ (included)	✓ (optional)	✓ (optional for Open License; included for Open Value agreements)		
Price list	Commercial and government	Commercial and government	Commercial and government plus academic and nonprofit for Open License	Commercial, government, and academic	Commercial, government, and academic
Price level determination	Based on user and device license quantity by pool or qualifying contract for commercial; single price level for government	Based on points by pool or qualifying contract for commercial; single price level for public sector	Based on product pools (commercial Open License) or device quantity (commercial Open Value agreements); single price level for public sector	No price level (price set by CSP)	Based on order quantity by cloud service
Price protection	All products and services included in the agreement	One-year subscription for cloud services	Select products (Open Value agreements, organization-wide)	Cloud services subscription length in one-year increments	N/A
Upfront payments	✓ (one to three years)	✓ (one to three years)	✓ (Open License one to two years; Open Value one to three years)	✓ (monthly)	✓ (monthly or annually)
Annual (spread) payments	✓	✓	✓ (Open Value agreements)		
Microsoft Financing (where available)	✓	✓	✓		✓