

Microsoft Dynamics 365

"Bridge to the Cloud 2" Promotion

Effective: January 2023



On January 1, 2023, Microsoft will launch the "Bridge to the Cloud 2" promotion to support Dynamics Price List (DPL) customers moving from Dynamics on-premises to Dynamics 365 online.

This promotion enables existing Dynamics on-premises customers with an active Enhancement Plan (EP) to obtain discounted cloud licenses through the Cloud Solution Provider (CSP) program.

POLICY

Promotion Details

- **Eligible Products:** This promotion applies to customers migrating *from* most Dynamics on-premises perpetual products purchased through DPL *to* functionally similar Dynamics 365 online per-user offers available on NCE for commercial customers (no EDU or GOV specific offers) with a 3-year term. See Exhibit 1 below for list of eligible "from" and "to" products.
- **Signup Period:** January 1, 2023 – December 31, 2024. To signup, partner must enroll in an applicable CSP NCE subscription with this promotion selected and follow the process below to notify Operations (ROC) to extend its on-premises EP benefits.
- **Promotion Duration:** Fixed 3-year term from enrollment. Non-renewable. After promotion ends, normal pricing will apply.
- **Pricing:** 40% discount on the standard commercial list price.
- **Licensing Program:** Cloud Solution Provider (CSP) (NCE only)
- **Licensing Requirements:**
 - **Initial CSP value.** Customer must purchase eligible Dynamics online licenses with an annualized value (suggested retail price less promotional discount and before partner discount) greater than or equal to the annual EP renewal amount (before partner discount) of their existing Dynamics on-premises license.
 - **Maintain CSP value.** Customers must maintain the minimum CSP license value described above during the promotional term. Customers who fail to meet this requirement, including as a result of cancelling or reducing their CSP subscription are liable for EP costs from the date that their paid EP ended (as well as 3% lapsed fees) and may not continue to receive promotional pricing/terms.
 - **Active EP plan.** Customer must have an active EP plan for the on-premises system being migrated (at the promotion enrollment). Customers with lapsed EP plans are ineligible (beyond a 30-day grace period). While customers with an active EP plan may enroll in the promotion at any time, no credit will be provided for the unused portion of the current EP plan's term.
 - **Functionally similar product.** Migration must be to a functionally similar product. Permissible migration paths are provided in Exhibit 1 (e.g., Dynamics NAV on-premises to Dynamics 365 Business Central online).

- CSP and geo availability. Promotion is limited to geographies where CSP program and the desired Dynamics 365 online product is available.
- New customer on cloud product. Customer must not have previously purchased the same online product via legacy CSP or NCE.
- Existing customers only. The customer's original Dynamics on-premises product must have been licensed prior to September 1, 2022.

The promotion provides the following additional benefits:

- **Dual Access Rights**. During the promotional term, customers may continue to use, expand, and upgrade their legacy on-premises system while completing the migration without purchasing additional EP. Other EP benefits like affiliate license transfer remain available during this period. (Note: Expanding the number of on-premises users requires purchase of additional on-premises licenses).
- **Monthly billing**. Most eligible products in NCE offer annual and/or monthly billing options, with CSP partners determining which of the available billing terms to make available to each of its customers. Note: Although payment terms may be monthly, annual or something else, all online subscriptions eligible for this promotion have a fixed 3-year (non-cancellable) term.

For customers migrating to Dynamics 365 Business Central (only):

- **Dual Use Rights (DUR)**. Dual use rights apply to Dynamics 365 Business Central licenses purchased through this promotion (to the extent provided in the Product Terms). Please note: dual use rights provide for on-premises use of only the current online versions (not prior versions), do not include support or EP benefits, do not enable adding users to an existing on-premises system, may require purchase of ancillary products (e.g., SQL), and do not apply to on-premises use of "\$0" online user licenses. On-premises users licensed via dual use rights cannot be added to or combined with users licensed under a DPL on-premises license (e.g., the existing on-premises system). Operating an on-premises implementation long term through dual use rights is not intended or recommended.
- **\$0 Users**. If and after a customer's annualized NCE promotional license cost (after applying the 40% promotional discount but before partner margin discount) exceeds twice its annual EP cost (before partner margin discount) for equivalent usage, the customer may request extra licenses at no additional cost for use during the promotional period with a value (computed using the promotional price) up to, but not exceeding, twice the EP cost. This provision applies only to customers migrating from a Dynamics concurrent user license product (or who previously transitioned from a Dynamics concurrent user license product) to Dynamics 365 Business Central online. The number of applicable \$0 user licenses will be determined by Microsoft – see the "Pricing and Licensing" section of the FAQ (below) for details and information on ordering \$0 user licenses.

This promotion is intended for customers committed to migrating to the cloud. Customers returning to or remaining on on-premises licenses after the promotional period who want Enhancement Plan (EP) benefits are subject to normal backpay and penalty policies.

Partner Margin: Standard Dynamics 365 CSP/NCE margins apply. Note: No margin is provided on \$0 user licenses (if any).

NOTICE: Microsoft reserves the right to discontinue this promotion, and/or to modify these policies and the promotion's terms, conditions and expected launch date, at any time.

Partner Process and Role:

- 1) Ensure customers meet the licensing requirement described above
- 2) Place CSP order for customer, and be sure to select this promotion
- 3) Submit copy of order confirmation to local ROC with i) customer account number, and ii) CSP tenant ID, to request no charge EP extension for on-premises license.
 - a) ROCs: US, Canada, LATAM: mbsorder@microsoft.com Europe, Middle East, Africa: mbsquery@microsoft.com, APOC, China, Japan, India: mbslques@microsoft.com
- 4) Partner must ensure customers' continued compliance throughout the promotional period. Customers who do not comply will be responsible for all lapsed EP fees.
- 5) Current PSBC partners should opt their customers out of auto-bill to prevent fee-based EP auto-renewal.
- 6) For each year of the promotion, the partner should renew its customer's no charge EP in order for the customer to retain EP-like benefits and for the partner to have the revenue count towards its EPRRR (i.e., applicable EP amount for the promotional term). Partner will not receive credit for missed renewals. Treatment of the revenue for EPRRR and Discount tier determination remains subject to rules set forth in the SPA and Discount Schedules, as they may change over time.

Regional Operations Center (ROC) Role:

- 1) ROC confirms customer eligibility
- 2) ROC discounts the customer's EP 100% (1 year), guaranteeing continued EP benefits providing customer maintains their eligibility.
- 3) ROC fulfills approved Web Direct additional seat requests

Exhibit 1

<u>FROM: On-Prem Product</u>	<u>TO: Eligible Cloud Product</u> Note: Commercial only, on 3-year purchase option only. NCE, Partner-Led only
Dynamics 365 Business Central Dynamics NAV Dynamics GP Dynamics SL Dynamics XAL/Business Edition/C5	Dynamics 365 Business Central Premium / Dynamics 365 Business Central Essentials / Dynamics 365 Business Central Device / Dynamics 365 Business Central Team Member
Dynamics 365 for Operations Dynamics RMS/POS Dynamics AX	Dynamics 365 Commerce Attach to Qualifying Dynamics 365 Base Offer Dynamics 365 Commerce Dynamics 365 Finance Dynamics 365 Finance Attach to Qualifying Dynamics 365 Base Offer Dynamics 365 Supply Chain Management Dynamics 365 Supply Chain Management Attach to Qualifying Dynamics 365 Base Offer Dynamics 365 Operations – Activity Dynamics 365 Operations – Device Dynamics 365 Team Members Dynamics 365 Human Resources Dynamics 365 Human Resources Attach to Qualifying Dynamics 365 Base Offer
Dynamics CRM	Dynamics 365 Customer Service Enterprise Dynamics 365 Customer Service Enterprise Attach to Qualifying Dynamics 365 Base Offer Dynamics 365 Field Service Dynamics 365 Field Service Attach to Qualifying Dynamics 365 Base Offer Dynamics 365 Sales Enterprise Edition Dynamics 365 Sales Enterprise Attach to Qualifying Dynamics 365 Base Offer Dynamics 365 Supply Chain Management Dynamics 365 Supply Chain Management Attach to Qualifying Dynamics 365 Base Offer Dynamics 365 Team Members Dynamics 365 Customer Service Professional Dynamics 365 Customer Service Professional Attach to Qualifying Dynamics 365 Base Offer Dynamics 365 Sales Professional Dynamics 365 Sales Professional Attach to Qualifying Dynamics 365 Base Offer

FAQ

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GENERAL

Q: How does this promotion differ from the previous Bridge to the Cloud promotion?

A: This promotion offers a fixed 3-year term that is non-renewable / non-cancellable, is purchasable on NCE, generally includes Dual Use Rights (as described in the Policy above), and is available only to customers that have not previously purchased a cloud version of the product.

Q: Can customers revert to standard DPL Enhancement Plan renewals after enrolling in this promotion?

A: This promotion is designed for customers committed to migrating to the cloud. Re-enrollment in on-premises EP is not available (without applicable backpay and penalty fees from the end of the previously *paid* EP period).

ELIGIBILITY

Q: Can customers with lapsed EP enroll in this promotion?

A: As an exception, customers whose EP lapsed for 30 days or less may enroll. Customers enrolling within 30 days of their EP expiring will not face lapsed fees. Once the customer provides proof that the minimum licensing requirement (and other eligibility requirements) have been met, the customer can renew at zero cost.

Customers who have lapsed for more than 30 days will need to pay fees for the lapsed period to enroll. Their renewal cost for the forthcoming year will be waived, provided they have met the minimum online licensing requirement (and other eligibility requirements).

Q: Can customers on the CSP-EP renewal or Bridge to the Cloud promotion transfer to this promotion?

A: No, transfer from a prior promotion to Bridge to the Cloud 2 is not available.

Q: Can this promotion be combined with other transition offers or promotions?

A: No, this promotion cannot be combined with any other discounted offer or promotion. Customers who have licensed "From SA" or any other cloud migration offer cannot enroll in this promotion. Only customers active on EP per the policy are eligible to use the Bridge to the Cloud 2 promotion.

Q: Can customers who acquired Dynamics NAV prior to September 1, 2022, and transitioned to Dynamics Business Central on-premises after September 1, 2022, participate?

A: Yes, provided the original Dynamics on-premises product was purchased prior to September 1, 2022, the customer may participate. For example, a customer who purchased Dynamics NAV in 2009 and then transitioned that system to Dynamics 365 Business Central in 2023 could participate in this promotion.

PRICING AND LICENSING

Q: What is the minimum licensing requirement for customers?

A: See "Initial CSP value" and "Maintain CSP value" descriptions in the policy above. Example: If the annualized EP amount (before partner discount) is \$1200, the monthly CSP amount (after promotional discount and before partner discount) must be at least \$100/month. Partner **must** ensure customers continue to comply throughout the term. Compliance audits may be conducted.

Q: Are partners required to pass the additional discount to the customer?

A: Yes. Microsoft provides the customer's partner with an additional discount off the normal price charged to the partner, and Microsoft requires the partner to pass this additional discount to the customer by reducing its resale price by an equal or greater amount.

Q: Can customers license additional users in NCE?

A: Additional users licensed via the Bridge to the Cloud 2 promotional SKUs do not increase the number of users available on the existing on-premises licenses. If the customer needs additional on-premises users, they must be purchased via DPL (see next question).

Q: Where do customers order additional users or functionality for their on-premises solution?

A: Additional on-premises users/functionality should be purchased in DPL for customers using legacy on-premises versions. The license price plus the pro-rated EP for those licenses will be charged through the DPL. At the customer's next EP anniversary, the online NCE subscription value will need to be increased to account for the increased EP value.

Q: Where do customers purchase additional entitlements/objects such as tables, pages, etc.?

A: Additional entitlements must be purchased via the DPL for on-premises implementations.

Q: Can customers reduce the user count on their NCE Subscription?

A: NCE does not permit mid-term reduction of user counts or subscription cancellation (i.e., without fees continuing for the balance of the term). Also, early cancellation would void eligibility for this promotion and its no charge EP (i.e., backpay and penalty fees would apply the end of the previously *paid* EP period to re-establish on-premises EP).

Q: How do customers with an on-premises product using concurrent users transition to a named user structure?

A: For Customers migrating to Business Central (cloud) from a concurrent user model (or who transitioned to Business Central on-premises from Dynamics NAV or Dynamics GP and received additional on-premises 'upgrade' users through that transition), see "For customers migrating to Dynamics 365 Business Central" in the Policy above.

Note: The \$0 users do not include Dual Use Rights or dual access rights, nor can they be applied or exchanged for additional on-premises user licenses. These \$0 user licenses expire annually and need to be renewed during the promotional term. At the end of the promotional term, if the customer wants to maintain these users, the customer must purchase standard paid users at non-promotional pricing.

Q: What is the process for a customer to request \$0 user licenses?

A: Business Central customers eligible for \$0 user licenses must request \$0 user licenses within 60 days of purchasing the promotional online licenses. The \$0 user licenses will be provided via Microsoft Online Subscription Program (MOSP) promotional codes (or such other mechanism that Microsoft may determine). Customer must provide a credit card for identification purposes when redeeming those codes (card will not be charged). To request \$0 user licenses, please contact Operations and provide the customer's PSBC account number. The \$0 user licenses must be renewed annually during the promotional term.

Q: For customers migration to Dynamics 365 Business Central through this promotion, how will Microsoft determine the number of eligible \$0 users to be made available?

A: The Policy above provides, "If and after a customer's annualized NCE promotional license cost (after applying the 40% promotional discount but before partner margin discount) exceeds twice its annual EP cost (before partner margin discount) for equivalent usage, the customer may request extra licenses at no additional cost for use during the promotional period with a value (computed using the promotional price) up to, but not exceeding, twice the EP cost. This provision applies only to customers migrating from a Dynamics concurrent user license product (or who previously transitioned from a Dynamics concurrent user license product) to Dynamics 365 Business Central online. The number of applicable \$0 user licenses will be determined by Microsoft – see [this FAQ] for details and information on ordering \$0 user licenses."

- Example 1: Customer has a Dynamics NAV system with an annual EP cost of \$9,000, and wants to migrate its 85 users to Business Central Essentials online. In this case, the monthly EP = $\$9,000/12 = \$750/\text{month}$, and the BC Essential user promotional price is $\$70 - 40\% = \$42/\text{user}$. Customer would pay for the first 36 users ($= \$750 \times 2 / 42$) at the promotional price, and then Microsoft would provide up to 36 extra users ($= \$750 \times 2 / 42$) during the promotional term (as \$0 users). If further users were desired, Customer would purchase them (e.g., $85 - 36 - 36 = 13$ users) at the promotional price.

- Example 2: Customer has a Dynamics GP system with an annual EP cost of \$1,500, and wants to migrate to 5 users of Business Central Essentials online. In this scenario, the monthly EP = $\$1500/12 = \$125/\text{month}$, and the promotional price of BC Essentials is \$42/user. Customer would not receive any \$0 users since its total cost of \$210 ($= 5 * \42) is less than the threshold amount of \$250/month ($= \$125 \text{ EP} * 2$).
- Example 3: Customer who purchased Dynamics 365 Business Central on-premises system with 8 users of Business Central Premium wants to migrate to Dynamics 365 Business Central online system. Calculation of \$0 users is not relevant, since customer never purchased a “concurrent” user-based system (i.e., customer did not migrate from Dynamics NAV).

DUAL ACCESS RIGHTS

Q: What's the difference between dual use rights (DUR) and dual access rights?

- **Dual access rights**: Relates to continued use of a *previously purchased* on-premises version while migrating, but not beyond the promotion's term.
- **Dual use rights (DUR)**: Relates to use of a *current* version of on-premises product (but not most prior versions) while subscribing to eligible cloud products. See “Dual Use Rights” in Policy above.

Q: Customers in this promotion are entitled to dual access rights. What does this mean?

A: The dual access rights benefit of this promotion allows the customer to continue using their existing on-premises license purchased via the Dynamics Price List while simultaneously deploying Dynamics 365 Business Central online. If the customer requires additional users on their on-premises license throughout the promotion's term, they will need to license these users via the DPL.

Additional users licensed on CSP (NCE) through the promotion do not provide dual access rights benefits. For example, if a customer has a Business Central v16 on-premises license with 50 Premium users and then licenses 100 Premium v20 SLs via the Bridge to the Cloud 2 promotion, the customer is not entitled to downgrade the v20 cloud licenses or add users to their v16 on-premises version. The customer can access 100 Premium users via their cloud deployment.

Additionally, any \$0 users issued via a Web Direct promotional code do not provide dual access rights benefits. Users provided through a Web Direct promotional code can be only deployed in the cloud.

Q: Can customers purchase cloud licenses via the promotion and utilize Dual Use Rights to expand their on-premises deployments?

A: No. DUR licenses cannot be combined with an existing on-premises installation.

ENHANCEMENT REQUIREMENTS AND RENEWALS

Q: My customer's EP is up for renewal. Does the customer need to sign up for this promotion before its anniversary date?

A: Yes, customer needs to enroll in the promotion on or before their EP renewal date (with 30-day grace period provided).

Q: My customer just renewed their EP; can they still participate in the promotion?

A: An eligible customer (with active EP) can license the promotional SKUs at any time but will not receive any credit for their existing Enhancement Plan.

Q: If my customer renews their EP with the Bridge to the Cloud 2 promotion, will its EP renewal date change?

A: No, the EP renewal date will remain the same. If a customer enrolls before its renewal date, the customer's no charge Enhancement Plan will show as 'pending' in PSBC until the scheduled start date (renewal date).

Q: Is annual billing available with the Bridge to the Cloud 2 promotion?

A: Most eligible products in NCE offer annual or monthly billing options, with CSP partners determining which of the available billing terms to offer each of its customers. Note: Although payment terms may be monthly, annual or something else, all promotional subscriptions eligible for this promotion have a 3-year (non-cancellable) term.

Q: My customer is paying for SQL Embedded Maintenance with their EP. Is that included in the overall EP minimum amount required?

A: Yes. In calculating the EP minimum amount, Embedded Maintenance is included.

Q: What happens after the promotion expires?

A: Customers who wish to continue licensing Business Central online should move to pricing options for which they meet eligibility criteria at that time. Microsoft reserves the right to add, adjust or change licensing and offers.

MARGINS AND INCENTIVES

Q: Do partners receive a partner margin on sales using this promotion?

A: Partner's normal CSP (NCE) margins (discounts) apply.

Q: If my customer renews their EP with the Bridge to the Cloud 2 promotion, how will this impact my on-premises Enhancement Plan Revenue Recapture Rate (EPRRR)? (SPA partners only)

A: Customers who enroll in the Bridge to the Cloud 2 promotion are included in the numerator (actual renewed revenue) and denominator (scheduled renewal revenue) of the EPRRR calculation on the partner's account. Calculation of EPRRR is subject to the terms of the SPA agreement and discount schedule, as it may change over time.

Q: Will sales of this promotion qualify a partner for CSP incentives or Business Central Accelerators?

A: Policies published by the CSP incentives team determine partner qualification for incentives on CSP/NCE sales, including sales involving this promotion.

ORDERING

Q: Can non-SPA partners participate in this promotion?

A: Yes, such partners should follow the same steps as for a SPA partner and submit the required information to the appropriate MBS/DPL Operations support alias below.

Q: Does the online partner need to be the on-premises customer's "partner of record" (in PSBC) to order this promotion? How do I know the required minimum price without PSBC access?

A: A non-partner of record should contact MBS/DPL Operations (see operations contacts below) with written approval from the customer indicating the customer agrees to share their license details with you. Upon validation of this approval, Operations will provide you with the EP value.

Q: How can a partner purchase Bridge to the Cloud 2 promotion SKUs for its customer?

A: To take advantage of this promotion, follow the following steps:

1. **Purchase Dynamics 365 online services SKU(s) in NCE with the applicable promotion selected.**
2. **Gather the following information to submit a case to MBS/DPL Operations (see operations contacts below):**
 - a. Copy of CSP order confirmation (Order Start Date, Promotion Name, Quantity)
 - b. Customer's CustomerSource account number and CSP Tenant ID
 - c. Partner's organizations PSBC account number (if applicable) and MPN ID.

Q: How can a partner join CSP program?

A: See <https://partner.microsoft.com/en-us/membership/cloud-solution-provider>

Q: Where can partners get CSP licensing support?

A: Please utilize the Microsoft Partner Community (MPC): <https://www.microsoftpartnercommunity.com/>

OPERATIONS AND SUPPORT

DPL: SPA partners: Submit a case to Operations to add the EP to the customer's account. Cases for [Operations](#) can be created through PartnerSource Business Center (PSBC). Note: If your customer is enrolled in Auto-Bill through PSBC, you should remove this to prevent the EP from auto-billing upon renewal.

DPL: Non-SPA partner (no access to PSBC): Submit case information based on your customer's country:

- i. US, Canada, LATAM: mbsorder@microsoft.com
- ii. Europe, Middle East, Africa: mbsquery@microsoft.com
- iii. APOC, China, Japan, India: mbslques@microsoft.com

If related to a specific order, please include:

- a. Copy of CSP order confirmation (Order Start Date, Promo Name, Quantity)
- b. Customer's CustomerSource account number and CSP Tenant ID
- c. Partner organization's PSBC account number (if applicable) and MPN ID.

CSP: For questions regarding a customer's CSP subscription, billing or other Online Services questions, please log your question via <https://partner.microsoft.com/support>.

REFERENCES

- [Geographic Availability](#)
- [Transition Guide \(On-premises to online services\)](#) (PSBC access required)
- [Dynamics 365 Pricing & Licensing](#) (PSBC access required)