

# Microsoft Cloud Licensing Changes FAQ

How the changes affect VMware Cloud on AWS  
(Updated 11/30/2020)

## General Questions

**Q. What was announced by Microsoft in Aug 2019 with regard to its product licenses on dedicated hosted cloud services?**

A. Microsoft announced that on October 1, 2019, the licensing terms for its products deployed on dedicated hosted cloud services will change. This change in Microsoft licensing affects customers planning to move Windows Server and Microsoft SQL Server workloads to non-Azure “hyperscaler” clouds including VMware Cloud on AWS. [Details are here.](#)

**Q. How will customers be able to buy Windows and SQL Server Licenses from VMware.**

A. VMware has signed a Microsoft Services Provider License Agreement (SPLA), which allows VMware to sell the appropriate license entitlements<sup>1</sup> to the customer in order to enable compliance with Microsoft’s flow-through requirements for end users. As a result, VMware provides both Windows Server and a SQL Server Licenses for the VMware Cloud on AWS service (“VMC on AWS”).

Licenses are offered on a per-host basis. A Windows Server License will allow a customer to deploy an unlimited number of Windows Server Enterprise editions VMs on a VMC host. A SQL Server License will allow a customer to deploy an unlimited number of SQL Server licenses on a VMC host.

A customer must license all hosts in a cluster.

Licenses are billed on a calendar month basis based on the maximum number of hosts that were deployed on that month.

**Q. What products are covered by the Microsoft agreement with VMware for VMC on AWS?**

1) Windows Server 2016 Datacenter and Windows Server 2019 Datacenter

---

<sup>1</sup> Referred to as “Licenses” in this document, but in fact Microsoft’s license runs between it and VMware and VMware’s customers purchase only a term-specific

2) SQL Server 2017 Enterprise and SQL Server 2019 Enterprise.

Customers will be able to purchase subscriptions for these products for use as part of VMware Cloud on AWS directly from VMware. SQL Server 2109 Enterprise and SQL Server 2017 Enterprise

**Q: What are my options for acquiring the Windows and SQL Server software binaries?**

A: A customer has two options: A VMware-supplied Windows Server VM or a customer-supplied VM.

**Q: Tell me more about the VMware-supplied VM.**

A: The VMs will be packaged as an OVF (Open Virtual Format) which can be included in the customer’s Content Library.

1. A customer can import their custom Windows Server and SQL Server VMs for use into VMC.
2. As part of initial deployment, the VM will be activated (Microsoft certifies the VM’s validity) and the VM is now ready for customer use.
3. VMware will provide current binaries but it’s the customer’s responsibility to install and maintain Microsoft patches and updates.
4. A customer can customize the VM as they required by configuring services or adding custom agents and software.

**Q. If I have questions about how Microsoft Licensing with VMWare Cloud on AWS, who should I contact?**

A. Send your question to [vmc-microsoft-ext@vmware.com](mailto:vmc-microsoft-ext@vmware.com)  
Note ,For partners, the VMware PBM should make the request.

**Q. What is a Microsoft Services Provider License Agreement (SPLA)?**

A. The Microsoft Services Provider License Agreement (SPLA) is for service providers and independent software vendors (ISVs) who want to license the latest eligible Microsoft

entitlement to access certain Microsoft products as part of the VMware-hosted service

software products to provide software services and hosted applications to end customers. The SPLA, in turn, incorporates by reference Product-specific terms in the Service Provider User Rights document, which can be [found here](#).

**Q: Can I buy Systems Center for VMware Cloud on AWS through VMware?**

A: No. VMware’s agreement does not allow us to resell systems center licenses. Customers can, however, buy System Center through another SPLA partner who offers System Center and is also a VMware/VMC MSP reseller with the SPLA addendum.

**Q. What does this mean for VMware Cloud on AWS customers?**

A. Please refer to this table to understand the impact of new Microsoft license rules on VMC:

Scenario	MSFT License Date	What to do
Customers Own Microsoft Windows Server DC 2019 or older editions want to move to VMC on AWS	Before Oct 2019	Customers should leverage existing licenses via BYOL
Customers Own Microsoft SQL Enterprise Server 2016 or older editions and want to move to VMC on AWS	Before Oct 2019	Customers should leverage existing licenses via BYOL
Customers Own Microsoft Windows Server licenses and want to move to VMC on AWS: OR customers don't have any windows server licenses and need them on VMC hosts	On or After Oct 2019	Customers can purchase New Licenses through VMWare under VMware’s Microsoft SPLA for greater economic value.

Customers Own Microsoft SQL Server license and want to move to VMC on AWS; OR customers don't have any SQL licenses and want to have them on VMC hosts	On or After Oct 2019	Customers can purchase New Licenses through VMWare under VMware and Microsoft SPLA for greater economic value (with per-host licensing).
Customers Own Microsoft SQL Server license with SA and license Mobility with NO need for unlimited virtualization rights, and wants to move to VMC on AWS	On or After Oct 2019	Customers should consider leveraging their existing licenses via BYOL or License Mobility through Software Assurance

**The license date in the table above is applicable to 3 situations below:**

The licenses acquired on/after Oct 1,2019 by the customers.

When customers use a Microsoft product version released on or after Oct. 2019 after upgrade.

Customers also trigger the new rules when they cover dedicated workloads using subscription licenses renewed in a subsequent EA contract or new perpetual licenses acquired in a subsequent EA contract.

**Q. What is the Unlimited Virtualization benefit?**

A. Unlimited Virtualization allows customers to run an unlimited number of VMs with SQL Server workloads on a virtualization host (or all hosts in a cluster hosting SQL Server workloads), on all cores of which are licensed with SQL Server Enterprise Editions with SA. For example, on an i3 host with 36pCPUs, allocating 36 SQL Server Enterprise Edition with SA license will allow customers to run an unlimited (subject to technical limitations) number of VMs with SQL Server workloads.

**Q. Do I get unlimited virtualization benefits for license entitlements I purchased from VMware?**

A. Yes.

**Q. Can I upgrade or downgrade the Microsoft Licenses purchased from VMware on the VMware Cloud on AWS?**

A. Yes. Customers can upgrade to the latest editions as the VMware's agreement covers the latest version and down-edition rights.

**Q. Can I split my VMware acquired Windows Server License across multiple hosts.**

A. No. Each License can only be assigned to a single physical VMware Cloud on AWS host.

**Q. What are the payment options for the monthly licenses on VMware Cloud on AWS?**

A. Microsoft Licenses for post October 1, 2019 licenses are billed in arrears on the customer's monthly bill. These licenses will be billed similarly to elastic IP and bandwidth charges.

**Q. Do you provide an academic pricing option?**

A. Yes, we do for the MSFT Licenses we resell. Microsoft has strict definitions of the qualification criteria for the academic pricing though, and customers are responsible for the self-qualifications.

**Q. I have heard there's a promotion on Microsoft licenses on VMware cloud on AWS, how does that work?**

A. You can start using the service today and you will not be billed for the VMware Cloud on AWS License included offering until March 1, 2021. As billing is done one month in arrears, the March 2021 invoice will cover activation and use starting February 1, 2021.

**Q. In Gated Availability, do I still pay for the nodes at the time of activation, even if that before February 1, 2021?**

A. Yes

**Q. Can I use the Windows Licenses I have procured from VMware in other environments?**

A. No. Customers can only use those Licenses on VMware Cloud on AWS hosts.

**Q. Can I purchase Licenses from VMware for only some of the VMC hosts in a cluster?**

A: No. You must purchase the Windows Licenses for all the hosts in the cluster. For example, if you have 5 hosts in the

cluster and only 3 have Windows Server Datacenter running on them, and you have to buy the Windows Server Licenses from VMware under the new rules, you will need to procure the Licenses from VMware for all 5 hosts in that cluster.

**Q: Do I need to buy Software Assurance with Windows Licenses purchased from VMware?**

A: No. With the Licenses purchased from VMware, it is not necessary to pay for Software Assurance and you have the flexibility to upgrade your software when it is made available without additional cost.

