

Self-Hosted Applications

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Summary

Microsoft offers a choice of licensing models for Independent Software Vendors (ISVs) that want to provide their own software as a hosted service. These ISVs are commonly known as a “Self-Hosted ISVs,” and there are two ways they may license their software. This guide will outline these two licensing models by describing the benefits of the SPLA program, and by providing an in-depth look at the “Self Hosted Applications” use right and its requirements.

What's new in this brief

This brief replaces a previous version published in October 2012. There are no licensing changes in this update.

Details

Licensing Options for Self-Hosted ISVs

The Services Provider License Agreement (SPLA) is the primary program and a flexible option for all service providers, including Self-Hosted ISVs offering one of their applications as a software service. However, if you are a Self-Hosted ISV with a qualified Unified Solution, the “Self-Hosted Applications” use right available through the [Product Terms](#) may be the right choice for you.

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The Services Provider License Agreement

The SPLA is the primary licensing program for all hosting business models, including Self-Hosted ISVs. It offers a monthly, pay-as-you-go licensing model, under a separate agreement designed for hosting and providing software services. SPLA supports a variety of products and hosting scenarios to help you provide highly-customized and robust solutions to your customers. To learn more about the SPLA program, see www.microsoft.com/licensing/licensing-options/spla-program.aspx.

The “Self-Hosted Applications” use right

Self-Hosted ISVs with qualified Unified Solutions may take advantage of the “Self-Hosted Applications” use right available through the [Product Terms](#). This is a separate licensing option from SPLA with qualification criteria, specific licensing requirements, and limited products included in the offering. A Self-Hosted ISV licensing through this option must:

- ▶ Be hosting a qualified Unified Solution, and
- ▶ Purchase the required licenses under a new or existing Volume Licensing Agreement (e.g. Microsoft Enterprise Agreement, Microsoft Select Plus Agreement*, Microsoft Open Value Agreement).

* Effective July 1, 2016, in markets where the Microsoft Products and Services Agreement (MPSA) is available, Microsoft will stop accepting new orders and Software Assurance renewals through existing commercial Select Plus agreements at your next agreement anniversary date. This retirement does not apply to government and academic Select Plus agreements. More information is at www.microsoft.com/selectfaq.

What is a qualified Unified Solution?

To determine if the combination of your software and Microsoft products (Unified Solution) qualifies for licensing under the “Self- Hosted Applications” use right, as described in the [Product Terms](#), you must meet all of the criteria defined in the Product Terms Appendix B: Software Assurance Benefits, under the heading “Servers – Self-Hosted Applications.” You should read the Self-Hosted Applications section in the current [Product Terms](#) thoroughly to understand the requirements and licensing rights¹.

In short, your software must meet each of the following requirements:

- ▶ **Add significant and primary functionality to the Microsoft products**

Hosting a Microsoft product to a customer is not adding significant and primary functionality (for example, hosting Microsoft Exchange to your customer’s employees); however, creating a line of business application that adds significant and primary functionality to the capabilities of the Microsoft software platform stack would qualify. See the definition in the current Product Terms for specific requirements.

- ▶ **Include only Microsoft Products that are designated “Self-Hosting of Applications Allowed: Yes”**

Only products listed in the Product Terms that designate “Self Hosting of Applications Allowed” as “Yes” are eligible for Self-Hosting and may be included in a Unified Solution licensed in this manner (See Figure 1 for an example). If your Unified Solution includes products not designated “Self-Hosting of Applications Allowed: Yes” (for example, if your solution includes Microsoft Office or SharePoint Server), then you must license your entire Unified Solution through the SPLA program.

What are the licensing requirements?

If your Unified Solution meets each of the above qualification criteria, you may license your solution through the Self-Hosted Applications use right as defined in the Product Terms. You must ensure that you are acquiring the appropriate licenses for your application as well as those identified in the Product Terms. You must acquire all

¹ Access the most current Product Terms: www.microsoft.com/en-us/licensing/product-licensing/products.aspx#PT

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required licenses through a Microsoft Volume Licensing program that permits the Self-Hosted Applications use rights (e.g. Enterprise Agreement, Select Plus*, Open Value, or other) and offers Software Assurance Benefits.

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Required Microsoft software licenses

All products used in your Unified Solution and in support of delivering your solution must be designated as "Self-Hosting of Applications Allowed: Yes." Your organization must have the following licenses to use the Self-Hosted Applications use right.

- ▶ Microsoft products: You must acquire the required Microsoft software licenses for all Microsoft products run as part of and in support of delivering your Unified Solution (for example, Windows Server, SQL Server)
- ▶ Access licenses: You must acquire access licenses to make your Unified Solution externally available (this may mean Client Access Licenses [CALs] or External Connector [EC] Licenses); for example: a Windows Server EC License. See the product-specific section(s) of the Product Terms for details.

Active Software Assurance

You must acquire and maintain active Software Assurance coverage on all required Microsoft licenses used as part of and in support of your Unified Solution, including on all required Access Licenses. If your Software Assurance coverage expires and is not renewed, you will no longer be allowed to deliver your Unified Solution through the Self-Hosted Applications use right and must renew Software Assurance coverage or license through the SPLA.

Can I mix SPLA and Self-Hosted Applications?

If you choose to license your Unified Solution through the Self-Hosted Applications use right, you must license your entire Unified Solution through a Volume License program that permits the Self-Hosted Applications use rights (e.g. Enterprise Agreement, Select Plus Agreement*, Open License Agreement). If your Unified Solution requires an additional product that is not offered under the Self-Hosted Applications use right (for example, Microsoft Office) you must license your entire Unified Solution through the SPLA; you may not simply purchase a SPLA license for Microsoft Office. Similarly, you may not combine licenses acquired through the Self-Hosted Applications use right and the SPLA (yours or another service provider's); the Self-Hosted Applications use right requires active Software Assurance be maintained by you on all Microsoft products.

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Frequently asked questions

1. My Unified Solution does not qualify for the Self-Hosted Applications use right; how do I properly license my hosted solution?

If your Unified Solution does not meet any one of the qualifications for the Self-Hosted Applications use right as written in the Product Terms, you must license your hosted solution through the SPLA. See www.microsoft.com/licensing/licensing-options/spla-program.aspx for more information on the SPLA and how to get started.

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2. If I am licensing my Unified Solution through the Self-Hosted Applications use right, can I use licenses from a SPLA as part of my Unified Solution?

No. All software licenses used as part of the Unified Solution must come from a Microsoft Volume License program that permits the Self-Hosted Applications use rights (e.g. Enterprise Agreement, Select Plus Agreement*, Open License Agreement) and that offers Software Assurance benefits.

3. If I am licensing my Unified Solution through the Self-Hosted Applications use right, can I add additional capacity through a SPLA?

No. Even if all products supporting the Unified Solution are licensed through the Self-Hosted Applications use right, all additional licenses needed for the solution must be acquired through a Microsoft Volume License program(s) that permits the Self-Hosted Applications use rights (e.g. Enterprise Agreement, Select Plus Agreement*, Open License Agreement) and offers Software Assurance benefits, and may not be supplemented with additional capacity through SPLA (even on a short term basis).

4. If I am licensing my Unified Solution through the Self-Hosted Applications use right can an Outsourcer or Partner host my solution on my behalf?

Yes, provided that it is run from fully dedicated hardware supporting your Unified Solution.

5. If I am licensing my Unified Solution through the Self-Hosted Applications use right can I deploy my Unified Solutions on shared hardware?

No. You may only deploy your solution on fully dedicated physical hardware—either at your premises or at the facility of a partner/outsourcer providing services on your behalf. For shared hardware deployments, you must use SPLA.

6. Can I use Office or Desktop Applications as part of my Unified Solution if I am licensing my Unified Solution through the Self-Hosted Applications use right?

No. These products are not indicated as eligible for self-hosting in the Product Terms, and as a result are not allowed to be included in your Unified Solution. If you wish to include Office as part of your solution, you must license your entire Unified Solution through the SPLA program.

7. Can I mix different Volume License programs and enrollments (EAP, ECI, EA, etc.) to license my Unified Solution, if I am licensing my Unified Solution through the Self-Hosted Applications use right?

Yes, provided the programs you are combining are all subject to the Self-Hosted Applications use rights (e.g. Enterprise Agreement, Select Plus Agreement*, Open License Agreement) and offer Software Assurance. You may not combine the Self-Hosted Applications rights with the SPLA program (as an example).

8. What happens when my Software Assurance expires? May I still leverage the Self-Hosted Applications use right?

No. This Self-Hosted Application use right requires active Software Assurance coverage. If your Software Assurance coverage expires, you no longer have the right to deliver your solution as a service through Self-Hosted Applications. You must renew or reacquire Software Assurance, or license the entire Unified Solution through the SPLA.

9. I am currently licensing through the SPLA today. Do I have to transition to the Self-Hosted Applications use right?

No. The SPLA is always an option for delivering your Unified Solution as a software service. However, for properly qualified applications, the Self-Hosted Applications use right is also a licensing choice.

10. May I install my Unified Solution (or a component of it) at my customer's facility or on their hardware?

No. The Self-Hosted Applications use right requires the entire service be delivered remotely over the Internet to the customer.

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11. How do SPLA and the Self-Hosted Applications use right compare?

Talk to your Reseller or Microsoft Account Manager to compare these two options for properly qualified applications.

12. Which use rights document governs the Self-Hosted Applications use right?

The Product Terms outlines the Self-Hosted Applications use right, as well as all products that are included for that licensing option (clearly marked in the Product Terms). Any products that a Self-Hosted ISV licenses in the delivery of their Unified Solution under this option are governed by the Product Terms.

13. Are all Microsoft Products included for use under the Self-Hosted Applications use Right?

No. Products that are included for use under the Self-Hosted Applications use right are clearly identified in the Product Terms, and include server products popular with Independent Software Vendors (ISVs).

14. Do I only have to qualify for the Self-Hosted Applications use right at the time I sign my agreement?

No. You must evaluate your Unified Solution to ensure that you qualify and are properly licensed any time you make a change (such as adding new components or functionality or including new Microsoft products) to your Unified Solution that might impact its qualification. If you no longer qualify, you must license through the SPLA program.

15. May I procure additional Microsoft Software Licensed products from others, while licensing through the Self-Hosted Applications use right?

No. The Self-Hosted Applications use right requires that you be the licensee of all Microsoft software products used in and in support of your Unified Solution. If you would like to procure software services (for example, Windows Server capacity or SQL Server compute capacity) from a company with a separate SPLA Agreement, then you must license your Unified Solution through the SPLA.

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