

Microsoft Dynamics 365, Business edition

Licensing Guide



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Using This Guide

This guide is designed to improve your understanding of how to license Microsoft Dynamics 365, Business edition.

This document does not apply to Dynamics 365, Enterprise edition, Microsoft Dynamics NAV, Microsoft Dynamics GP, Microsoft Dynamics SL, Microsoft Dynamics AX 2012, or Microsoft Dynamics CRM 2016 or any other prior version.

This guide is not intended to influence the choice of Microsoft Dynamics products and services or provide technical specification. The examples presented in this guide are illustrative. Microsoft reserves the right to review or update this document at any time without notice.

For help determining the right technology solution for any given organization, including the license requirements for a specific product or scenario, consult with your Microsoft account team or your Microsoft Dynamics Certified Partner.

This guide does not supersede or replace any of the legal documentation covering use rights.

Introduction to Microsoft Dynamics 365

Microsoft Dynamics 365 is the next generation of intelligent business applications in the cloud, bringing together a unique set of capabilities for organizations.

Dynamics 365 is:

- **Purpose-built:** with applications that fit roles, industries and businesses – so organizations can start with and pay only for what they need and grow at their pace to run their entire business in the cloud.
- **Productive:** enabling greater productivity where people need it by seamlessly integrating with familiar tools like Outlook and Excel, surfacing them in the context of business processes, roles and jobs.
- **Intelligent:** Building Intelligence into business processes to help employees and customers discover, analyze, and apply data to improve decision-making.
- **Adaptable:** enabling organizations to transform at the speed of business. Business leaders can change and evolve their processes in real-time using a modern consistent, and extensible platform – so they are not being held back by legacy technology.

Dynamics 365 has two editions. The Enterprise edition is optimized for 250+ employees and the Business edition which is optimized for 10-250 employees. This licensing guide will focus on the Business edition.

Subscription Licensing Requirements

Internal and External Users

With Microsoft Dynamics 365, you must license each internal user who will access the service. However, access by external (third party) users is included with the subscription and does not require subscription licenses (SLs). External users are users that are not an employee, onsite contractor, or onsite agent of the customer or its affiliates.

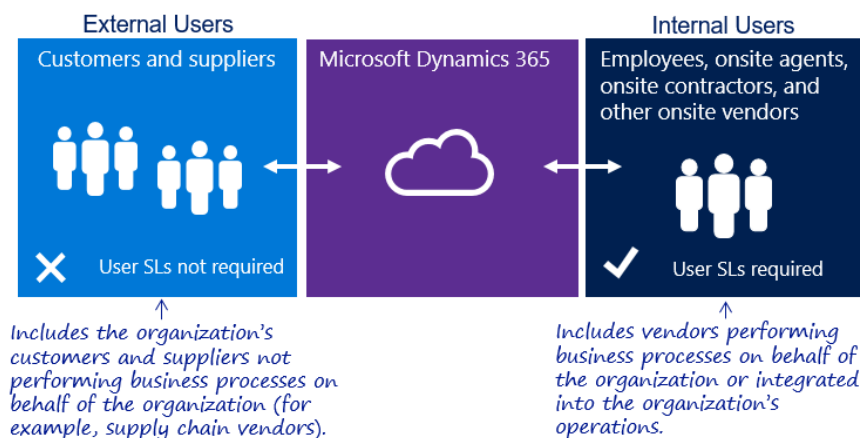
In other words, end customers (customers of the Microsoft Dynamics 365 customer) do not require a SL to access Microsoft Dynamics 365 to manage their accounts and orders. However, end customers may not

use Microsoft Dynamics 365 to manage any portions of their business. In this sense, the definition of external users does not extend to onsite contractors or vendors. External user licenses cannot be used to provide business processes on the customer's behalf.

Please note you may not use Microsoft Dynamics 365 to provide business process outsourcing services to your clients or customers.

Note: Offsite vendors are considered external users only when their time is shared in between multiple customer organizations (for example, IT support service vendors serving multiple customer organizations) and they are not in an employee-like relationship.

Figure 1: Internal vs. external users



Licensing Requirements for Internal Users

You may license access to Microsoft Dynamics 365 by purchasing a Subscription License (SL) for every internal user who directly or indirectly accesses the service.

Dynamics 365, Business edition one type of SL:

- User SLs are assigned on a "named user" basis, meaning each user requires a separate User SL; User SLs cannot be shared but an individual with a User SL may access the service through multiple devices.

The User SL grants users non-perpetual rights (with no buy-out rights) to the use of the Dynamics 365 service. As long as you are current on your subscription payments and adhere to the [Product Terms and the Online Service Terms](#), you will have access to the most up-to-date version of your Microsoft Dynamics 365.

Multiplexing

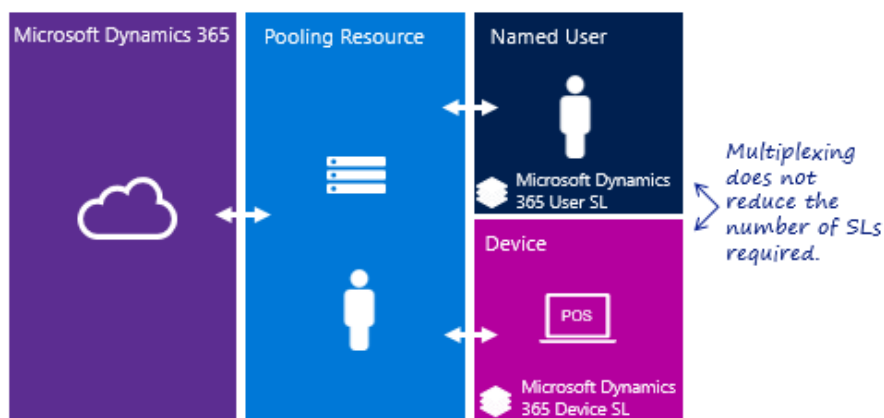
Multiplexing refers to the use of hardware or software that a customer uses to pool connections, reroute information, reduce the number of devices or users that directly access or use Microsoft Dynamics 365. Multiplexing does not reduce the number of SLs of any type required to access the Microsoft Dynamics 365. Any user or device that accesses Microsoft Dynamics 365—whether directly or indirectly—must be properly licensed.

Microsoft Dynamics 365 SLs are required for users or devices that directly input, query, or view data from the Microsoft Dynamics 365. Similarly, Microsoft Dynamics 365 SLs are required for users or devices that input data into, query, or view data from Microsoft Dynamics 365 through a pooling device. Pooled connections use a non-interactive user account in Dynamics 365 that can access the system but only via the web service layer. A non-interactive "user" who is not a person does not need a license.

- Internal users and devices accessing Microsoft Dynamics 365 data indirectly through a Portal or via an API to a separate service such Microsoft Outlook must also be properly licensed, regardless of if they are set up as a Dynamics 365 user in the service.
- Internal users and devices that access Microsoft Dynamics 365 data indirectly through a PowerApps must still be properly licensed for Dynamics 365.
- Any user or device that accesses the service, files, data, or content provided by the service that is made available through an automated process requires a Microsoft Dynamics 365 SL.
- The number of tiers of hardware or software between the Microsoft Dynamics 365 and the user or devices that ultimately use its data, services, or functionality does not affect the number of SLs required.

For additional information about multiplexing refer to the Microsoft Volume Licensing Brief [Multiplexing—Client Access License \(CAL\) Requirements](#).

Figure 2: Multiplexing



Dual Use Rights

Microsoft Dynamics 365, Business edition services do not include dual use rights, the option to deploy either in Microsoft’s cloud or in a private on-premises or partner-hosted cloud. The Business edition is available only as an online service.

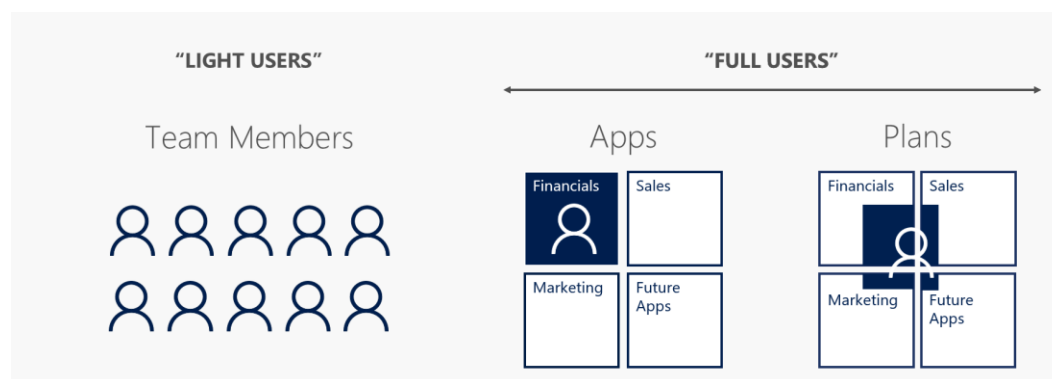
Microsoft Dynamics 365 Subscription License Types

Dynamics 365’s primary licensing model is by named user subscription. Dynamics 365 user subscriptions classify users into two types. One user type is a “full user” and the other is a “light user”.

Full users are the users whose work requires use of the feature rich business apps functionality. In the Dynamics 365 license model, full users are licensed with either a Dynamics 365 Plan (Not available launch) or Dynamics 365 application (App) subscription. Examples of full users are sales people, customer service representatives, finance employees, controllers, supply chain managers, etc. These users have also been referred to in the past as Pro users or Power Users.

Light users are typically the large number of users in an organization that consume data or reports from line of business systems and who complete light tasks. (e.g. time/expense entry and HR record updates). In the Dynamics 365 model “light users” are licensed with the Dynamics 365 for Team Members subscription.

Figure 3: User Types



Dynamics 365 for Team Members, Business edition

The Dynamics 365 for Team Members, Business edition license is a named user subscription that enables customers to execute basic business processes and share knowledge across an organization.

A single Team Members, Business edition subscription includes all the light use scenarios from within Dynamics 365, Business edition applications. When a customer adds additional Dynamics 365, Business edition applications, no additional Team Members subscription purchases are required for existing Team Members users.

Dynamics 365 for Team Members, Business edition also includes the "PowerApps for Dynamics 365 Applications" license. Team Members users can use PowerApps to access Dynamics 365 within the bounds of their Team Members license.

Dynamics 365 for Team Members, Business edition requires that at least one other user be licensed with Dynamics 365 for Financials.

Dynamics 365 for Team Members, Business edition users can do the following:

- Read anything that's enabled in Financials or any other Dynamics 365 Application
- Update existing data and entries in Financials - Existing data are records like customer, vendor or item records which are already created. Entries means entries on which it is specifically allowed from an accounting perspective to update specific information. (e.g. due date on customer ledger entries)
- Approve or reject tasks in all workflows assigned to a user
- Create, edit, delete a quote or requisition
- Create, edit, delete personal information
- Enter a Time Sheet for Jobs
- Use PowerApps for Dynamics 365

See [Appendix A](#) for a summary of Dynamics 365, Business edition use rights and the Power Apps licensing guide for additional information on PowerApps and Flow licensing.

Dynamics 365, Business Edition Applications

Application subscriptions are named user subscriptions where a user is licensed only for one individual application. Dynamics 365 will have the following Applications as part of the Business edition: Dynamics 365 for Financials and PowerApps,

PowerApps

Dynamics 365's standalone PowerApps offering is P2.

- Microsoft PowerApps is a service for building and using custom business apps that connect to your data and works across the web and mobile - without the time and expense of custom software development. Learn more at the [PowerApps service page](#).
- PowerApps licenses always include Microsoft Flow capabilities. Microsoft Flow is a service for automating workflow across the growing number of apps and SaaS services that business users rely on. Learn more at the [Microsoft Flow service page](#).

PowerApps users who access Microsoft Dynamics 365 indirectly through a PowerApps must properly licensed for Dynamics 365. See the PowerApps licensing guide for additional information on Power Apps and Flow licensing.

Financials Application

Dynamics 365 for Financials, Business edition is a comprehensive business management solution for SMBs. The Dynamics 365 Financials, Business edition Application can be licensed one way:

- **Dynamics 365 for Financials, Business edition (Per User License)** – This license provides users with unrestricted access to the functionality included in Team Members, Business edition and the Financials App

Dynamics 365 Applications include the "PowerApps for Dynamics 365 Applications" license. Financials users can use PowerApps to access Dynamics 365 within the bounds of their Financials license.

Customers who have external accountants who wish to connect to the Financials Application can purchase one per tenant at no additional cost. External Accountant Licenses contain all the same use rights as Dynamics 365 for Financials license with the exception of the following: Access to user set up or admin tasks and CRM

See [Appendix A](#) for a summary of Dynamics 365, Business edition use rights and the Power Apps licensing guide for additional information on PowerApps and Flow licensing.

Default Subscription Capacities

Production Instance	1 Included
Non-Production Instance	None
File Storage	Unlimited
Database Storage	Unlimited
External Accountant Licenses	1 Included
Cortana Intelligence	1800 seconds per month/tenant

Other Product Licenses

Licenses for Microsoft Dynamics 365 do not include licenses for other products and services that may be necessary to light up integrated scenarios or extend functionality; product licensing rights for these

must be established separately. The following resources can help you to determine the required additional licenses:

Power BI

Dynamics 365, Business edition Apps do not include subscription rights to Power BI. Customers interested in lighting up integrated Power BI scenarios should purchase subscription licenses for these services separately.

Cortana Intelligence Suite

Customers who wish to expand beyond the default subscription capacity included in Dynamics will need to have a separate Azure subscription.

Power Apps

Customers who wish to go beyond the PowerApps functionality included in Dynamics 365 Applications can also purchase PowerApps P1 or P2 on a standalone basis.

Licensing Programs

Microsoft Dynamics, Business edition subscriptions are only available through the Cloud Solution Provider program. Visit the <https://partner.microsoft.com//en-US/cloud-solution-provider> to learn more about CSP.

Support

The Microsoft Cloud Solution Provider program enables partners to manage their customer's success. Support for Dynamics 365 Business edition is solely through the Microsoft Cloud Solution Provider partners.

Appendix A: Dynamics 365 for Financials Use Rights

		Team Members	Financials App
		Per User	Per User
APPROVE	Workflows across the application	•	•
EDIT*	Financial management		•
	Purchase and payables		•
	Sales and receivables		•
	Inventory management		•
	Project Management		•
	Requisitions and quotes	•	•
	Timesheets	•	•
	Personal information	•	•
UPDATE	Existing data and entries in Financials**	•	•
READ	Across all Dynamics 365 Applications	•	•
POWER APPS	App contextual Power Apps For Dynamics 365	•	•

*"EDIT" is Microsoft's highest level use right which equates to adding create/delete to read & update granted elsewhere

**Existing data are records like customer, vendor or item records which are already created. Entries means entries on which it is specifically allowed from an accounting perspective to update specific information, e.g. due date on customer ledger entries