

Changes to Microsoft 365 & Microsoft Teams licensing in the European Economic Area + Switzerland

EMBARGO: Do not share with customers or partners until August 31 at 9a CET

Summary

We are making the following changes to Microsoft 365 and Office 365 plans offered through Volume Licensing, CSP, and Web Direct channels to customers in the European Economic Area (EEA) and Switzerland,¹ effective October 1, 2023. [View the full list of EEA countries.](#)

1. Introducing 10 new EEA/Switzerland-specific suites without Teams, priced lower than the existing suites

- **Enterprise:** Office 365 E1 EEA (no Teams): €7.40; Office 365 E3 EEA (no Teams): €23.10; Office 365 E5 EEA (no Teams): €39.50; Microsoft 365 E3 EEA (no Teams): €35.70; Microsoft 365 E5 EEA (no Teams): €57.70
- **Frontline:** Microsoft 365 F1 EEA (no Teams): €1.60; Office 365 F3 EEA (no Teams): €3.20; Microsoft 365 F3 EEA (no Teams): €7.00
- **SMB:** Microsoft 365 Business Basic EEA (no Teams): €4.60, Microsoft 365 Business Standard EEA (no Teams): €9.70, Microsoft 365 Business Premium EEA (no Teams): €18.60

2. Introducing a new EEA/Switzerland-specific standalone Teams SKU for Enterprise: Microsoft Teams EEA: €5.00

3. Ending the sale of net-new subscriptions to all existing Enterprise suites that include Teams in the EEA and Switzerland

- No longer offered in the EEA or Switzerland: Office 365 E1, Office 365 E3, Office 365 E5, Microsoft 365 E3, Microsoft 365 E5

4. Continuing to offer SMB and Frontline worker suites with Teams alongside the versions without Teams.

- Still offered in the EEA and Switzerland with no changes: Microsoft 365 Business Basic (€5.60) Microsoft 365 Business Standard (€11.70), Microsoft 365 Business Premium (€20.60), Microsoft 365 F1 (€2.10), Office 365 F3 (€3.70), and Microsoft 365 F3 (€7.50).

Current		After October 1, 2023 (EEA and Switzerland only)			
Teams included		Teams included		Teams separate (new SKUs)	
Microsoft 365 Business Basic	€5.60	Microsoft 365 Business Basic	€5.60	Microsoft 365 Business Basic EEA (no Teams)	€4.60
Microsoft 365 Business Standard	€11.70	Microsoft 365 Business Standard	€11.70	Microsoft 365 Business Standard EEA (no Teams)	€9.70
Microsoft 365 Business Premium	€20.60	Microsoft 365 Business Premium	€20.60	Microsoft 365 Business Premium EEA (no Teams)	€18.60
Office 365 E1	€9.40	No longer offered in EEA or Switzerland		Office 365 E1 EEA (no Teams)	€7.40

Office 365 E3	€25.10			Office 365 E3 EEA (no Teams)	€23.10
Office 365 E5	€41.50			Office 365 E5 EEA (no Teams)	€39.50
Microsoft 365 E3	€37.70			Microsoft 365 E3 EEA (no Teams)	€35.70
Microsoft 365 E5	€59.70			Microsoft 365 E5 EEA (no Teams)	€57.70
Microsoft 365 F1	€2.10	Microsoft 365 F1	€2.10	Microsoft 365 F1 EEA (no Teams)	€1.60
Office 365 F3 (CSP only)	€3.70	Office 365 F3 (CSP only)	€3.70	Office 365 F3 EEA (no Teams) (CSP only)	€3.20
Microsoft 365 F3	€7.50	Microsoft 365 F3	€7.50	Microsoft 365 F3 EEA (no Teams)	€7.00
N/A – New Standalone		N/A		Microsoft Teams EEA	€5.00

Price is subject to change based on subscription term, currency and region.

Please note: There will be no change to Microsoft 365 Apps for Business, Microsoft 365 Apps for Enterprise, or Teams Essentials.

Frequently Asked Questions

General.....	2
Availability	4
Licensing	5
Pricing	6
Negotiation & Compete Guidance	7
Partner transaction guidance	8
Customer scenarios.....	9
Rude/Reactive	11

General

1. What has changed for Microsoft 365 in the EEA and Switzerland? Which SKUs/segments are impacted, and which ones are not?

Microsoft is introducing a new Microsoft Teams standalone offering and a new set of Microsoft 365 and Office 365 suites without Teams included for customers in the EEA and Switzerland, launching on October 1, 2023. Beyond that date, customers can expect the following changes:

Enterprise suites (Office 365 E1/E3/E5 and Microsoft 365 E3/E5)

- Microsoft will no longer offer existing E1/E3/E5 suites with Teams to new customers in the EEA and Switzerland. Existing EEA/Switzerland customers can continue to renew, add seats, and leverage step-ups on current Enterprise subscriptions.

-
- New commercial customers in the EEA and Switzerland who wish to provide information workers with both Microsoft Teams and the value in existing E1/E3/E5 suites will need to purchase two SKUs: one E1/E3/E5 EEA (no Teams) suite and Microsoft Teams EEA.

SMB suites (Microsoft 365 Business Basic/Standard/Premium)

- Small and medium business customers in the EEA and Switzerland will be able to choose between existing SMB suites with Teams or the new EEA (no Teams) versions of those suites.

Frontline worker suites (Office 365 F3, Microsoft 365 F1/F3)

- For Frontline workers, customers in the EEA and Switzerland will be able to choose between the existing Frontline worker suites with Teams included or the new EEA (no Teams) versions of those suites.

Note: Office 365 F3 is only available for new customers via the CSP channel as of August 1, 2023. [Learn more.](#)

2. Why are we making changes to our packaging and pricing in the EEA and Switzerland?

We are making these changes in response to concerns raised with the European Commission. This new licensing approach is intended to take meaningful steps to address the issues raised with the Commission while limiting disruption for customers, partners, and sellers.

3. How will these changes impact new customers?

Starting October 1,

- **New commercial customers in the EEA and Switzerland** who wish to provide information workers with both Microsoft Teams and the value in existing Microsoft 365 E3/E5 or Office 365 E1/E3/E5 suites will need to purchase two SKUs: one E1/E3/E5 EEA (no Teams) suite **and** Microsoft Teams.
- **New small and medium business customers in the EEA and Switzerland** will be able to choose between the existing Microsoft 365 Business Basic/Standard/Premium suites with Teams or the new EEA (no Teams) versions of those suites.
- For **Frontline workers**, customers in the EEA and Switzerland will be able to choose between the existing Microsoft 365 F1, Office 365 F3, and Microsoft 365 F3 suites with Teams included or the new EEA (no Teams) versions of those suites.

4. How will these changes impact existing customers?

Existing EEA and Switzerland based customers may continue to use suites to which they have already subscribed without any impact. Customers who currently subscribe to existing Office 365 E1/E3/E5 or Microsoft 365 E3/E5 suites with Teams can continue to use and renew those suites, as well as add or remove seats at Anniversary or Renewal. Existing customers who wish to switch to the new EEA (no Teams) suites may also do that at Anniversary or Renewal.

5. Why is Microsoft ending sale of existing Enterprise suites in the EEA and Switzerland while continuing to offer existing SMB and Frontline worker suites?

These changes are a compromise intended to address concerns raised with the European Commission while limiting disruption for customers, partners, and sellers.

6. What is Microsoft's position regarding the European Commission's announced investigation?

Microsoft respects the European Commission's work on this case, and we take our own responsibilities very seriously. In our view, customers can realize the greatest value by purchasing the full Microsoft 365 suite

including Teams. We will continue to cooperate with the Commission and remain committed to finding solutions that will address its concerns while limiting disruption for customers and partners.

7. Will there be supporting material for customers that we, the partners, can leverage to aid with this change?

Yes. Partner resources – including FAQs, execution guidance, and customer-facing collateral – will be posted on the [Modern Work Partner Portal](#).

8. Will there be any changes to Consumer or EDU suites?

No.

9. Will there be any changes to Microsoft 365 Apps for enterprise, Microsoft 365 Apps for business, or Microsoft Teams Essentials?

No.

10. How is Microsoft Teams EEA different from Microsoft Teams Essentials?

Microsoft Teams EEA is an Enterprise offering available only in the EEA and Switzerland that provides meetings, chat, calling (VOIP), and collaboration without any limitation on seat numbers.

Microsoft Teams Essentials remains unchanged; it provides meetings, chat, calling (VOIP), and collaboration for customers worldwide with fewer than 300 users.

11. What will change for workloads that require Microsoft Teams in order to function? Will they still be included in the “no Teams” suites?

Only Microsoft Teams will be excluded from the new EEA (no Teams) suites. Customers will still be licensed for all other features and functionality included in the suite. However, in order to use certain features and workloads that depend on Teams (e.g., Teams Phone, Viva Insights, Audioconferencing), customers will need to ensure they have Teams either as part of a suite or as a standalone. For more details, please [refer to the licensing guide](#).

12. What impact will these changes have on licensing requirements for Microsoft 365 Copilot?

None. Microsoft 365 E3/E5 EEA (no Teams) will be in scope for Semantic Index for Copilot and eligible for the M365 Copilot add-on. Customers do not have to buy Microsoft Teams EEA to be eligible to purchase Copilot. However, in order to use certain Copilot features and workloads, customers will need to ensure they have Teams either as part of a suite or as a standalone.

13. What impact will these changes have on Microsoft’s EU data boundary commitments?

None.

Availability

14. Will these changes roll out to all update channels on October 1?

No. On October 1, the new SKU lineup will be available on Current Channel only. Availability for Monthly Enterprise Channel and Semi-Annual Enterprise Channel will come later. Please check [Update history for Microsoft 365 Apps \(listed by date\)](#) on Microsoft Learn for the latest information.

15. Can customers outside the EEA and Switzerland purchase the new EEA (no Teams) suites and/or Microsoft Teams EEA (no Teams)?

The new EEA (no Teams) suites and Teams standalone are intended for purchase by customers with enrollments in EEA countries and Switzerland, from EEA pricelists, for deployment on EEA/Switzerland tenants out of datacenters in the EEA and Switzerland.

16. Can multinational organizations with a presence in Europe purchase the EEA (no Teams) suites?

Multinational organizations with enrollments inside the EEA/Switzerland will be able to purchase the new EEA SKUs.

If other multinational organizations wish to purchase the EEA (no Teams) suites, they can set up an EEA/Switzerland enrollment with an EEA/Switzerland billing address to acquire these suites. These seats are intended for purchase by customers with enrollments in EEA/Switzerland, from those applicable pricelists, for deployment on EEA/Switzerland tenants out of datacenters in the EEA/Switzerland.

17. If a customer is located in the EEA or Switzerland but has employees worldwide, can they purchase the new EEA (no Teams) SKUs for all their employees, or only those in the EEA?

EEA (no Teams) suites are available for deployment on EEA/Switzerland tenants out of datacenters in the EEA/Switzerland. Employees worldwide can access them remotely from these datacenters.

18. If a customer is located outside the EEA but has employees in the EEA or Switzerland, can they purchase the new EEA (no Teams) SKUs for their EEA or Switzerland employees?

Yes. Any customer with EEA or Switzerland enrollments can purchase the new SKUs.

19. How will this change impact Multi-Geo Offerings in Enterprise & CSP?

This will impact customers while attempting to move ANY subscription from a tenant in one market to another tenant in another market.

If transferring 'EEA (no Teams)' suites within Switzerland and the EEA countries, this will be permitted due to its availability in both markets.

If transferring 'EEA (no Teams)' suites from Switzerland and the EEA countries to a country outside of the EEA, this will be not be permitted, and the transfer will be blocked with an Error Message.

20. Will the new SKUs be available in legacy CSP?

No. As of March 1, 2022, all new CSP subscriptions must be created on NCE CSP. As such, no new SKUs are being launched in legacy CSP.

Licensing

21. Which channels will be affected by these changes?

The new packaging and pricing applies to commercial Volume Licensing, CSP, and Web Direct for customers within the European Economic Area (EEA) and Switzerland. [View the full list of EEA countries.](#)

22. Will there be changes to licensing or usage rights?

No, this announcement does not include any changes to the licensing or usage rights of the Microsoft 365 or Office 365 products, aside from the exclusion of Teams from the new EEA/Switzerland-specific suites.

23. Will the EEA (no Teams) suites still include [any given suite feature: Viva Insights, Audioconferencing, Teams Phone, etc.]?

Yes. The new EEA (no Teams) suites will still include all the same workloads as the full suite, except for Teams itself. However, in order to use workloads that require Teams, customers must still ensure they are licensed for Teams either as part of the suite (for Frontline worker and Business suites) or as a standalone (for Enterprise suites).

24. Where does Microsoft Viva fit in relation to this announcement?

These changes do not impact licensing or pricing for the Viva modules. However, we recommend licensing Viva together with Teams for the best user experience. Some features in Viva require Teams in order to work, and even for those where Teams is not required, using Viva with Teams will often provide a better experience.

25. Can customers on multi-year EAs switch to EEA (no Teams) suites at Anniversary?

Yes, customers may switch to EEA (no Teams) suites at Anniversary in accordance with their Enterprise Enrollment.

26. Will the E1/E3/E5 EEA (no Teams) suites be classified as Enterprise Online Services like the equivalent suites with Teams?

Yes.

27. Will Microsoft provide any tool for user license reassignment for Admins, to help customers shift to the new SKUs?

No. Detailed admin instructions for assigning licenses are available [here](#).

28. Which types of Enterprise SKUs will be subject to end of sale and replacement with no-Teams versions in the EEA and Switzerland?

The following types of SKUs will be replaced with EEA (no Teams) versions for new customers:

- Full USL
- From SA
- Step-up

New Cloud Add-ons will not be created.

29. If an existing customer wants to transition to the EEA (no Teams) SKUs at Anniversary, what is the grace period for license reassignment?

The prior (with Teams) licenses will be treated as expired subscriptions which have a 90-day grace period as detailed [here](#).

30. How can commercial customers in the EEA or Switzerland with VL agreements other than EA/EAS (e.g., MPSA, OVS) purchase the EEA (no Teams) suites?

These customers will need to purchase through another channel where the EEA suites are available. For more information, see: [Purchasing Microsoft cloud products today and in the future](#).

Pricing

31. Why is there no Standard 30-Day Pricelist Preview?

No Pricelist Preview was made available for this launch in order to maintain the operational flexibility needed to enable an agile response to Commission legal actions.

32. When should I expect changes to the Pricelist?

The new SKU lineup will be reflected on the October 1 pricelist. **There will be no Pricelist preview for this launch.**

33. Should I expect any changes to Pricelist API's?

No.

34. Will there be a price increase for existing customers on current suites?

No, there are no current plans for a price increase on existing suites.

35. Will this raise prices for new customers?

We are removing Teams from our suites in response to concerns raised with the European Commission. As part of addressing these concerns, the combined list price for an Enterprise suite plus Teams will be higher than the list price of the equivalent existing suite with Teams included.

Negotiation & Compete Guidance

36. Will there be promotions to support EEA customers looking to make an upgrade at or around the time of the suite changes? If so, where can I find more information?

No, there are no new or additional promotions to be announced at this time.

37. If a customer is in the middle of negotiating a new subscription for one of the existing (with Teams) suites when the existing suites hit End of Sale, what is the best path forward?

Please refer to the Customer Scenarios section below.

38. My customer is frustrated over the licensing complexity, and would like to get an exception to buy the Enterprise SKUs with Teams, what can I do?

Starting October 1, 2023, if the customer is in the EEA or Switzerland and does not have an existing subscription to an Enterprise SKU with Teams, they must choose from the available options on the EEA pricelist. They will not be able to buy a new subscription to the with-Teams SKUs.

39. My customer read the announcement and would like to buy one of the EEA (no Teams) SKUs right now, what should I do?

The EEA (no Teams) SKUs will be available to purchase on October 1st, 2023.

40. My Microsoft 365 Business customer in the EEA wants to cancel their existing subscription and move to the "without Teams" SKU right now. What do I do?

The EEA (no Teams) SKUs will be available to purchase on October 1st, 2023. Existing customers can transition to the new SKUs at their first Anniversary or Renewal after that date.

41. I am a partner and have an extremely tricky renewal conversation; how can I get additional support from Microsoft to prevent my customer going to Slack (or another competitor) for the collaboration product?

Review the resources for partners on the [Modern Work Partner Portal](#).

Partner transaction guidance

42. How do partners process renewals for Enterprise SKUs with Teams through the EA?

A customer can continue to renew on w/Teams suites through the EA and will only need to move to w/o Teams if they move to a new subscription. [Renewals](#) work like normal.

43. How do partners process renewals for Enterprise SKUs with Teams through CSP?

A customer can continue to renew on w/Teams suites through CSP and will only need to move to w/o Teams when they move to a new subscription. Renewals work like normal.

44. Can you provide some example scenarios to aid our understanding of this change in the EEA & Switzerland?

- Scenario: Partner in EEA or Switzerland, Customer not in EEA or Switzerland (E.g Partner in Ireland, Customer in UK)
 - The EEA (no Teams) suites are not available to customers outside of the EEA or Switzerland. The EEA (no Teams) suites are intended for purchase and deployment by customers in EEA countries or Switzerland on EEA/Switzerland tenants only.
- Scenario: Customer in EEA or Switzerland, Partner not in EEA or Switzerland (E.g Customer in Germany, Partner in the UK)
 - **Enterprise:** Partners should no longer offer Enterprise suites including Teams to new customers in the EEA or Switzerland. New commercial customers in the EEA or Switzerland who wish to purchase Office 365 E1/E3/E5 or Microsoft 365 E1/E3/E5 suites and Microsoft Teams will need to purchase 2 SKUs, the new EEA suites and Microsoft Teams EEA.

Existing EEA/Switzerland customers can continue to renew, add seats, and upgrade using transitions on current Enterprise subscriptions.
 - **Frontline:** Partners can offer new customers in the EEA or Switzerland the existing Frontline worker suites (Office 365 F3, Microsoft 365 F1/F3) with Teams included or the new EEA (no Teams) versions of those suites.
 - **SMB:** Partners can offer small and medium business customers in the EEA or Switzerland the existing Microsoft 365 Business Basic/Standard/Premium suites with Teams or the new EEA (no Teams) versions of those suites.
- Scenario: Customer not in EEA or Switzerland, Partner not in EEA or Switzerland (e.g. Customer in UK, Partner in the UK)
 - Partners will not be able to transact the new EEA (no Teams) suites and the Microsoft Teams EEA standalone. The EEA (no Teams) suites and Microsoft Teams EEA are available for purchase for customers with enrollments in EEA countries or Switzerland from EEA pricelists and deployment out of datacenters in the EEA/Switzerland.

45. In what scenarios can a SMB customer transition subscriptions before the end of the subscription term?

A customer does not have to wait until the end of their subscription term if making one of these transitions:

- Business Basic to Business Standard or Business Premium
- Business Standard to Business Premium

- Business Basic EEA (no Teams) to Business Standard EEA (no Teams) or Business Premium EEA (no Teams)
- Business Standard EEA (no Teams) to Business Premium EEA (no Teams)
- Business Basic EEA (no Teams) to Business Basic or Business Standard or Business Premium
- Business Standard EEA (no Teams) to Business Standard or Business Premium
- Business Premium (no Teams) to Business Premium

46. What is the expected behavior of Partners to provide the non-Teams Option?

As a partner in CSP, you have a catalog of offers available to you and you can sell a wide range of Microsoft products, services, and solutions. Within the catalog of offers available to you, Microsoft does not dictate that partners must or must not sell any specific Microsoft products, services, or solutions.

Beginning October 1st, 2023, Microsoft will no longer offer existing E1/E3/E5 suites with Teams to new customers in the EEA and Switzerland in response to concerns raised with the European Commission. To provide customers with the value in the existing E1/E3/E5 suites, partners can offer commercial customers in the EEA and Switzerland the new EEA E1/E3/E5 suites and Microsoft Teams EEA .

Partners can offer the existing SMB suites with Teams and/or the new EEA (no Teams) versions of those suites to small and medium business customers. For Frontline workers, partners can offer the existing Frontline suites with Teams included and/or the new EEA (no Teams) versions of those suites.

47. Does Microsoft require proof of a Partner sharing this option to existing and net new customers?

No.

48. Where can I go as a partner to get more resources and content to explain the value of Microsoft Teams in Microsoft 365?

See resources on the [Modern Work for Partners page](#) to learn more about Microsoft Teams with Microsoft 365.

49. I have reviewed the partner FAQ and still have questions. Who can I reach out to?

For partner support concerns or questions not addressed in the [FAQ](#), reach out on Partner Center for [pricing](#), [offer availability](#) and [upgrades, migrations and conversions](#) support.

Customer scenarios

Microsoft 365 Enterprise scenarios for EA / EAS customers

Licensing profile	Opportunity close date	Impact
Existing Microsoft 365 E3/E5 or Office 365 E1/E3/E5 customer	Before/After Oct 2023	<p>No impact, subscribed customers can renew / add new seats / step up.</p> <p>Alternative scenarios – starting Oct 1, 2023:</p> <ul style="list-style-type: none"> • If a previously quoted customer wants to change the negotiation to include the EEA (no Teams) suites, offer the EEA (no Teams) suites, plus Teams EEA (if needed). • If the customer wants to switch existing seats to the EEA (no Teams) suites, they can do so at anniversary / renewal.
	Before Oct 2023	No impact , customers who buy before Oct can renew / add new seats / upgrade using transitions.

New Microsoft 365 E3/E5 or Office 365 E1/E3/E5 customer		Alternative scenarios: <ul style="list-style-type: none"> If a previously quoted customer wants to change the negotiation to include the EEA (no Teams) suites, they cannot do so before Oct 2023 – note there will not be a pricing preview.
	After Oct 2023	<p>Starting Oct 1, 2023: Customers who intend to buy after Oct will need to buy the EEA (no Teams) suites, plus the Teams EEA (if desired).</p> <p>Alternative scenarios – starting Oct 1, 2023</p> <ul style="list-style-type: none"> If a previously quoted customer wants to change the negotiation to include the EEA (no Teams) suites, offer the EEA (no Teams) suites, plus Teams EEA (if needed).

Frontline customer scenarios for EA / EAS customers

Licensing profile	Opportunity due date	Guidance
Existing Office 365 F3 or Microsoft 365 F1/F3 customer	Before/After Oct 2023	<p>No impact, subscribed customers can renew / add new seats / step up</p> <p>Alternative scenarios – starting Oct 1, 2023:</p> <ul style="list-style-type: none"> If a previously quoted customer wants to change the negotiation to include the EEA (no Teams) suites, offer the EEA (no Teams) suites. If the customer wants to switch existing seats to the EEA (no Teams) suites, they can do so at the anniversary / renewal.
New Microsoft 365 F1/F3 customer	Before Oct 2023	<p>No impact, customers who buy before Oct can renew / add new seats / step up.</p> <p>Alternative scenarios:</p> <ul style="list-style-type: none"> If the customer wants to change the negotiation to include the EEA (no Teams) suites, they cannot do so before Oct 1, 2023 – note there will not be pricing preview.
	After Oct 2023	<p>Starting Oct 1, 2023:</p> <ul style="list-style-type: none"> If the customer needs Teams: Offer EEA (w/ Teams) suites. If the customer does not need Teams: Offer EEA (no Teams) suites. <p>Alternative scenarios – starting Oct 1, 2023:</p> <p>If a previously quoted customer wants to exclude Teams from the negotiation, offer the EEA (no Teams) suites.</p>

Microsoft 365 Enterprise scenarios for CSP customers

Licensing profile	Impact
Existing Microsoft 365 E3/E5 or Office 365 E1/E3/E5 customer	No impact. They can renew / add new seats / upgrade using transitions (transitions apply to CSP only). ²
New Microsoft 365 E3/E5 or Office 365 E1/E3/E5 customer	Starting Oct 1, 2023: <ul style="list-style-type: none"> If the customer needs Teams: Offer EEA (no Teams) suites, plus Teams EEA. If the customer does not need Teams: Offer EEA (no Teams) suites.

Frontline & Microsoft 365 Business Basic/Standard/Premium scenarios for CSP customers

Licensing profile	Impact
Existing Office 365 F3 / Microsoft 365 F1/F3 or Microsoft 365 Business Basic / Standard / Premium customer	No impact. They can renew / add new seats / upgrade using transitions (transitions apply to CSP only). ²
New Office 365 F3 / Microsoft 365 F1/F3 or Microsoft 365 Business Basic / Standard / Premium customer	Starting Oct 1, 2023: <ul style="list-style-type: none"> If the customer needs Teams: Offer EEA (w/ Teams) suites. If the customer does not need Teams: Offer EEA (no Teams) suites.

Reactive Responses to Customers

1. If this licensing model is so good for customers, why isn't Microsoft offering it worldwide?

Microsoft continues to believe that Teams is key to the value customers get from Microsoft 365. It provides a central place to access conversations, files, and the apps they use every day, saving them time and streamlining their productivity and collaboration. While it's our view that customers can realize the greatest value by purchasing the full Microsoft 365 suite including Teams, these changes are a compromise intended to address concerns raised with the European Commission while limiting disruption for customers, partners, and sellers.

2. Isn't this just an opportunistic way to hike prices on European customers?

We are making these changes in response to concerns raised with the European Commission. We believe that this new licensing approach addresses the issues raised with the Commission while limiting disruption for customers, partners, and sellers. In doing this, we have established a price for the standalone value of Teams which we have carried through to the EEA market.

MICROSOFT CONFIDENTIAL - PARTNER ONLY

© 2023 Microsoft Corporation. All rights reserved. This document is for informational purposes only. MICROSOFT MAKES NO WARRANTIES, EXPRESS OR IMPLIED, IN THIS DOCUMENT. This information is provided to help guide your authorized use of products you license; it is not your agreement. Your use of products licensed under your volume license agreement is governed by the terms and conditions of that agreement. In the case of any conflict between this information and your agreement, the terms and conditions of your agreement control. Prices for licenses acquired through Microsoft resellers are determined by the reseller.

² Transitions are the equivalent of Step-ups in the CSP context.

MICROSOFT PARTNER ONLY