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 can license their software. This guide outlines these two licensing models by describing the benefits of the Service Provider Licensing Agreement (SPLA) program, and by providing an in-depth look at the “Self Hosted Applications” use right and its requirements.

Details
Licensing Options for Self-Hosted ISVs
The SPLA is the primary licensing program and a flexible option for all service providers, including ISVs, offering their applications as a software service. However, if you are an ISV with a qualified Unified Solution, the “Self-Hosted Applications” use right available through the Product Terms may be the right choice for you.

The Services Provider License Agreement
The SPLA is the primary licensing program for all hosting business models, including ISVs who host their own applications. 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
ISVs with qualified Unified Solutions may take advantage of the “Self-Hosted Applications” Software Assurance benefits. These use rights are described in the Microsoft Product Terms. This is a separate licensing option from SPLA with qualification criteria, specific licensing requirements, and limited products included in the offering. ISVs licensing through this option must:

- Be hosting a qualified Unified Solution, and
Self-Hosted Applications Licensing Brief

- Purchase the required licenses with Software Assurance under a new or existing Volume Licensing Agreement (for example, Microsoft Enterprise Agreement, Microsoft Open Value Agreement, or Microsoft Products and Services Agreement) or, in the case of Windows Server only, license the software under SPLA or through Microsoft Azure.

What is a Qualified Unified Solution?

In order for the combination of your software and Microsoft products (Unified Solution) to qualify 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 “Self-Hosted Applications.” You should read the Self-Hosted Applications section in the current Product Terms thoroughly to understand the requirements and licensing rights.

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 would qualify. See the definition in the current Product Terms for specific requirements.

- **Be combined only with Microsoft products that are eligible for Self-Hosting**
  Only products in the Product Terms that permit Self-Hosting are eligible to be included in a Unified Solution licensed in this manner (See Figure 1 for an example). If your Unified Solution includes products that do not permit Self Hosting (for example, if your solution includes Microsoft Office or SharePoint Server) then you must license your entire Unified Solution through the SPLA program.

-Figure 1

4. Software Assurance

<table>
<thead>
<tr>
<th>SA Benefits: Server</th>
<th>Disaster Recovery: All editions (except Developer)</th>
<th>Fail-Over Rights: All editions (except Developer and Parallel Data Warehouse)</th>
</tr>
</thead>
<tbody>
<tr>
<td>License Mobility: All editions (except Developer and Parallel Data Warehouse)</td>
<td>Migration Rights: Product List - March 2014 and June 2015</td>
<td>Roaming Rights: N/A</td>
</tr>
<tr>
<td>Self-Hosting: All editions (except Developer)</td>
<td></td>
<td></td>
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</tbody>
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- **Be the principal service and sole point of access to the Unified Solution**
  Your customer must interact with and primarily access your software; they must never have direct access to the underlying Microsoft software stack. If you want to provide your customers with direct access to the Microsoft products (for example, access to SQL Server) then your Unified Solution must be licensed through SPLA.

- **Be delivered over the Internet**
  Unified Solutions licensed through the Self-Hosted Applications use right may not be loaded onto a customer’s device; the Unified Solution must be provided as a hosted service through the Internet, remotely to your customer. No component of the Unified Solution may be installed at the customer’s facility. If you want to deliver your Unified Solution (or components of it) by installing it on a customer’s device or at its facility, you must license through the SPLA program (subject to the limitations of that program).

- **Be owned, not licensed, by you**
  You must own the intellectual property that you are combining with the Microsoft Self-Hosted Applications to provide a hosted service. If you license the intellectual property that serves as the primary application or service from another company (including Microsoft products) then you must license your solution through SPLA. For example, providing Microsoft Exchange as your primary service does not qualify for the Self-Hosted Applications use right and would have to be licensed through the SPLA program.

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1SPLA and Azure are options for Windows Server only.
What are the Licensing Requirements?

If your Unified Solution meets all 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 required licenses through a Microsoft Volume Licensing program that permits the Self-Hosted Applications use rights (for example, Enterprise Agreement, or Open Value) and offers Software Assurance Benefits. For Windows Server only, you may alternatively acquire licenses through SPLA or Azure.

Required Microsoft Software Licenses

All Microsoft products used in your Unified Solution and in support of delivering your solution must be eligible for Self-Hosting. 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 the required access licenses to make your Unified Solution available to your users (for example, this may mean Client Access Licenses (CALs) or External Connector (EC) Licenses). See the product specific section(s) of the Product Terms for details.

Active Software Assurance

With the exception of Windows Server licensed through SPLA or Azure, 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.

Deploying Your Unified Solution on Multitenant Servers

With the Self-Hosted Application Software Assurance benefit, you have the option to deploy your Unified Solution on multi-tenant servers. If you choose this deployment option, the Windows Server product that is used to support your Unified Solution must be licensed through an Authorized License Mobility Partner; your own Service Provider Agreement; or another Volume License program that permits Windows Server to be deployed on shared hardware.

When deploying your Self-Hosted Application software on multi-tenant third party servers, you are also using your License Mobility through Software Assurance benefit. In order to compliantly use this benefit, you must complete the License Mobility Verification form and submit it to your reseller or to Microsoft. Learn more about the License Mobility through Software Assurance benefit: www.microsoft.com/en-us/Licensing/licensing-programs/software-assurance-license-mobility.aspx.

Multitenant Deployment with Authorized License Mobility Partner

If your unified solution is eligible for Self-Hosting, you may deploy your Unified Solution on third party shared servers provided that the third party is an Authorized License Mobility Partner. The Authorized License Mobility Partner is required to license the underlying Windows Server through its own SPLA to support this deployment option. A list of Authorized Mobility Partners can be found here: download.microsoft.com/download/7/9/b/79bd917e-760b-48b6-a266-796b3e47c47a/Authorized_Mobility_Partners.pdf.

Multitenant Deployment within Your Own Shared Servers

If your Unified Solution is eligible for Self-Hosting and you are an Authorized License Mobility Partner under your SPLA, you may deploy your Unified Solution in your own multi-tenant servers, provided that you report the Windows Server license used to support the Unified Solution under your SPLA.
Self-Hosted Applications Licensing Brief

Multitenant Deployment using Microsoft Azure Hybrid Use Benefit
If your Unified Solution is eligible for Self-Hosting and you own Windows Server licenses with Software Assurance, you may use the Azure Hybrid Use Benefit and License Mobility rights to upload your Unified Solution including the underlying Windows Server image to Azure. For details regarding the amount of Azure compute resources available under this option, see the Azure product entry in the Product Terms.

Can I Mix SPLA and Self-Hosted Applications?
If you choose to deliver your Unified Solution under the Self-Hosted Applications use right, you must license the Microsoft products included in your Unified Solution through a Volume License program that provides the Self-Hosted Applications use rights (for example, Enterprise Agreement, Open License Agreement, or Microsoft Products and Services Agreement). The exception to this requirement is Windows Server, which alternatively can be licensed through SPLA or Azure.

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. The Self-Hosted Applications use right requires active Software Assurance be maintained by you on all Microsoft products.

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/en-us/Licensing/licensing-programs/spla-program.aspx for more information on the SPLA and how to get started.

2. If I am licensing my Unified Solution through the Self-Hosted Applications use right, may I use licenses from a SPLA as part of my Unified Solution?
   With the exception of Windows Server, 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 (for example, Enterprise Agreement, Select Plus Agreement, Open License Agreement) and that offers Software Assurance benefits. The Windows Server licenses used to support your Unified Solution alternatively may be licensed through your software services provider (must be an authorized License Mobility Partner), your own SPLA, through Azure, or under Azure Hybrid Use Benefit.

3. If I am licensing my Unified Solution through the Self-Hosted Applications use right, may I add additional capacity through the 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 (for example, 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). The only exception is for Windows Server, which can be licensed through your software services provider (must be an authorized License Mobility Partner), your own SPLA, through Azure, or under the Azure Hybrid Use Benefit.

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, your Outsourcer or Partner can deliver your solution from fully dedicated hardware. If shared hardware is used, Windows Server must be licensed through your Outsourcer or Partner’s own SPLA (must be an authorized License Mobility Partner), your own SPLA, or, through Azure, or under Azure Hybrid Use Benefit under your Volume Licensing agreement.
Self-Hosted Applications Licensing Brief

5. If I am licensing my Unified Solution through the Self-Hosted Applications use right, may I deploy my Unified Solutions on shared hardware?
Yes. You may deploy your solution on shared hardware, either at an Authorized Mobility Partner’s datacenter or on Azure. You can acquire Azure Virtual Machine rights under your Volume licensing agreement or use your Azure Hybrid Use Benefit. For deployments on an Authorized Mobility Partner’s datacenter, the Windows Server used to support the Unified Solution must be licensed through SPLA.

6. Do I have to deploy my Unified Solution on shared hardware?
No, it’s an option, but you can still self-host on dedicated hardware.

7. If I self-host, do I have to use separate hardware or can I mix with my VL licenses?
You don’t have to use dedicated hardware. You can mix.

8. 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 solution (independent software) through the SPLA program.

9. 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 products you are combining are all subject to the Self-Hosted Applications use rights (for example, under Enterprise Agreement, Open License Agreement) and are covered with Software Assurance.

10. 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.

11. 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 solutions as a software service. SPLA offers flexibility. SPLA doesn’t have the same conditions. However, for properly qualified applications, the Self-Hosted Applications use right is also a licensing choice. Self-Hosted Applications under volume licensing programs offer volume discounts and Software Assurance Benefits.

12. 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.

13. 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.

14. 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). With the exception of Windows Server, which alternatively may be licensed under SPLA (governed by the Services Provider Use Rights) or through Azure (governed by the Online Services Terms), products that an ISV licenses in the delivery of their Unified Solution under this option are governed by the Product Terms. For Unified Solutions delivered on dedicated servers, use of Windows Server is governed by either the Product Terms or Service Provider Use Rights.

15. 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).

16. 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.
17. Can my Unified Solution include SPLA licenses or third party IP?
   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 with the exception of Windows Server, which can be acquired through a services provider. If you would like to procure software services (for example, SQL Server compute capacity) from a company with a separate SPLA Agreement, then you must license your Unified Solution through the SPLA.

18. Can I use existing Software Assurance only for my Unified Solution?
   Yes, as long as the Microsoft products permit Self-Hosting and have active Software Assurance.

19. Can I use Exchange Online for a Unified Solution if I used Exchange Server for the Self-Hosted Application?
   No, Microsoft Online Services do not have Software Assurance benefits (do not have Self-Hosting use rights). Only products that are eligible for Self-Hosting can be included in your Unified Solution.

20. Can I build a Unified Solution with Windows Server only or RDS only without other Microsoft products?
   Yes. Your Unified Solution must add primary and signification functionality to the Microsoft product.