

**Extended Service
Terms (EST)
Policy Update,
Impact &
Platform Demo
for Partners**

Extended service terms (EST)

Today, after a subscription expires, partners have two options:

- Renew the subscription.
- Turn auto renew off, which triggers a grace period of free service for a limited time.

In the future state, the free grace period is eliminated, and partners/customers must choose to:

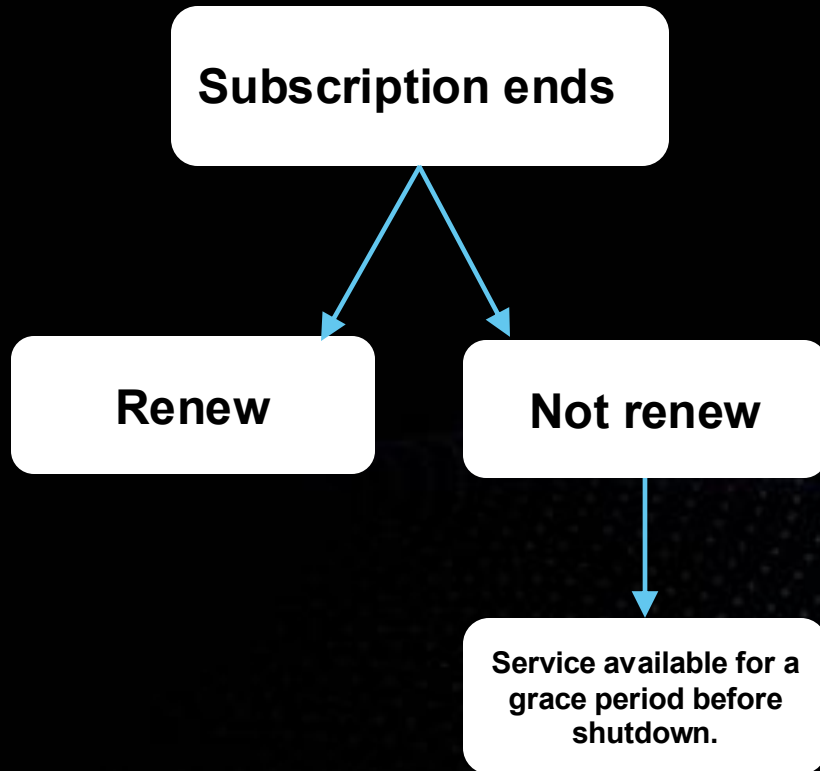
- Renew the subscription works like it always has, supporting scheduled changes or renewing as is.
- Cancel at expiration stops customer's services at the end of the term. Data retention is preserved but **can't be recovered or reactivated**.
- Renew to EST to continue service, billed at the EST rate (monthly term rate + 3% uplift). This option provides flexibility for further changes.

The screenshot displays the Adobe Marketplace account management interface for Crayon CCOE QA. The account details include Microsoft ID (889291d1-8d0d-4dc0-ad9e-8fa62202da82), Domain Name (onmicrosoft), Invoice Profile (Crayon Group), Reference (Global Cloud Services), and End-customer (N/A). The interface features navigation tabs for Subscriptions, Azure Plan, Azure Reservations, Software, Orders, Sales Price, Activity Log, Notifications, and Management. A search bar and filters for Product, State, Billing Frequency, Term, and Renewal are present. The main table lists various subscriptions with columns for Name, Product, Billing Frequency, Term, Subscription ID, Renewal, Scheduled changes, Assigned, Quantity, Status, and a menu icon. The table shows several subscriptions, including AI Builder Capacity Add-on T1, Microsoft Entra ID P1, Office 365 F3, Power Apps Premium embedded, and Microsoft 365 Business Standard EEA (no Teams). The renewal dates for several subscriptions are marked as 'Expires 3 Mar 2025' or 'Renews to EST 3 Mar 2025'. The interface also includes an 'Edit Account' button and a 'More details' dropdown.

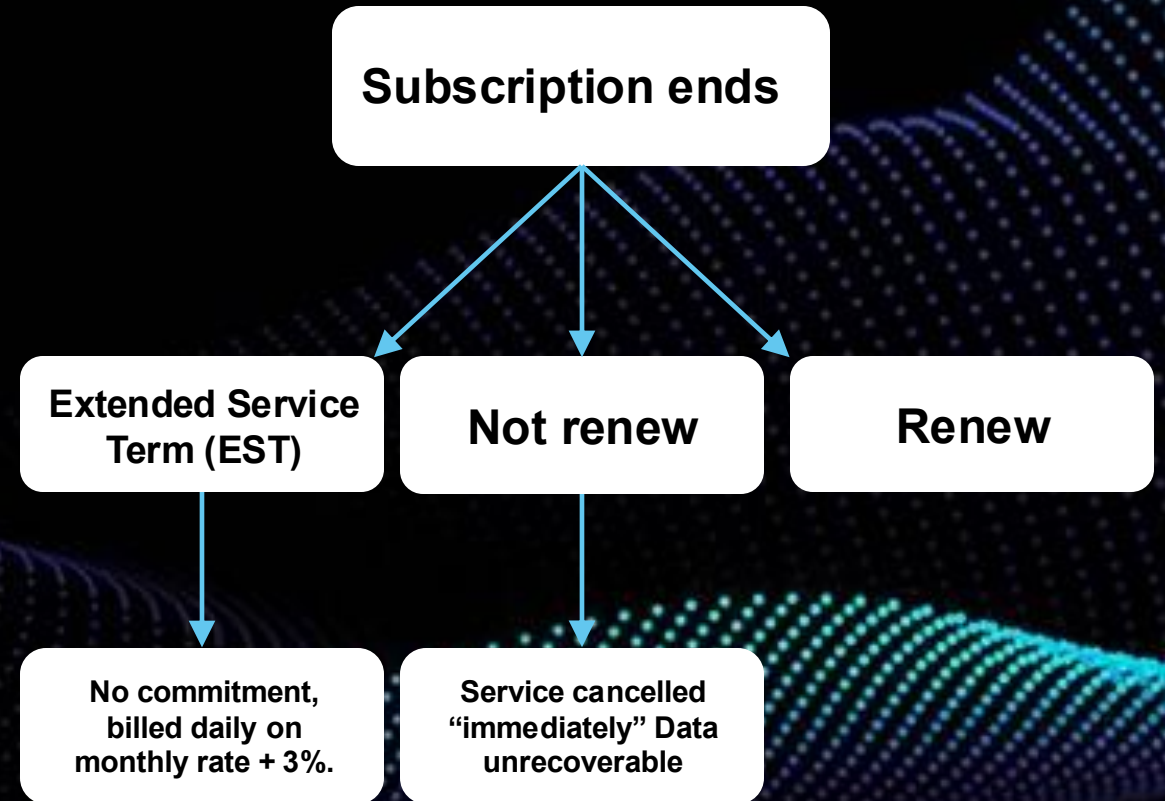
Name	Product	Billing Frequency	Term	Subscription ID	Renewal	Scheduled changes	Assigned	Quantity	Status
AI Builder Capacity Add-on T1	AI Builder Capacity Add-on T1	Monthly	1 Year	889291d1-8d0...	Expires 3 Mar 2025		9	9	Active
Microsoft Entra ID P1	Microsoft Entra ID P1	Monthly	1 Year	889291d1-8d0...	Renews to EST 3 Mar 2025		9	9	Active
Office 365 F3	Office 365 F3	Monthly	1 Year	889291d1-8d0...	Renews 3 Mar 2025		9	9	Active
Power Apps Premium embedded	Power Apps Premium embedded - Extended Service Term	Monthly	1 Year	889291d1-8d0...	Renews to EST 3 Mar 2025		9	9	Active
Office 365 F3	Office 365 F3	Monthly	1 Year	889291d1-8d0...	Renews to EST 3 Mar 2025		9	9	Active
Microsoft 365 Business Standard EEA (no Teams)	Microsoft 365 Business Standard EEA (no Teams) - Extended Service Term	Monthly	1 Year	889291d1-8d0...	Renews to EST 3 Mar 2025		9	9	Active
Power Apps Premium embedded	Power Apps Premium embedded - Extended Service Term	Monthly	1 Year	889291d1-8d0...	Renews to EST 3 Mar 2025		9	9	Active
Power Apps Premium embedded	Power Apps Premium embedded - Extended Service Term	Monthly	1 Year	889291d1-8d0...	Renews to EST 3 Mar 2025		9	9	Active
Microsoft Entra ID P1	Microsoft Entra ID P1	Monthly	1 Year	889291d1-8d0...	Expires 3 Mar 2025		9	9	Active
AI Builder Capacity Add-on T1	AI Builder Capacity Add-on T1	Monthly	1 Year	889291d1-8d0...	Renews 3 Mar 2025		9	9	Active

No more grace period – Cancel means Cancel

Today



When released (4th of May as per now)



What is Extended Service Term

- EST provides service continuity for customers still deciding on renewals, replacing the previous free grace period model
- Designed to ensure customers using services after expiration contribute to maintenance costs while preventing unintentional service disruption
- Partners retain full control—can exit EST immediately, convert to standard term, or schedule cancellation at any time
- EST subscriptions cannot be modified (seats, upgrades) except cancellation; must convert to new standard subscription for changes [

Auto-Transition

Subscriptions with auto-renew OFF automatically move to EST at expiration.
Microsoft completed the backfill to EST Eligible Subscriptions.

Monthly Billing

Charged at current monthly rate plus 3% uplift (or 23% if no monthly plan exists)

Flexible Exit

Partners can cancel or convert to standard subscription anytime

Indefinite Duration

Subscriptions remain in EST until partner takes action to renew or cancel

Subscription Eligibility for EST

All three conditions must be met for a subscription to automatically transition to EST at expiration:

1

Purchased on or after April 1, 2025

Only subscriptions acquired within the the new eligibility window qualify for EST.

2

Expires on or after May 4, 2026

The subscription end date must fall within the enforcement window.

3

Auto-Renew Is Set to Off

Subscriptions with auto-renew enabled will renew normally and are not affected by EST rules.

☐ Applies to **license-based services** across all channels and all markets. If all three conditions are met, the subscription will move to EST will move to EST automatically — no action required.

EST Implementation Timeline

April 1, 2025

Eligibility window opens. Subscriptions purchased on or after this date may be subject to EST rules.

1

2

February 2026

EST and supporting policies go live for **MCA-E** and **Buy-Online** channels across all markets.

3

March & April 2026

EST launched in CludiQ and PRISM. Partners can change Renewal options .

4

May 4, 2026

Full enforcement begins. Eligible subscriptions with auto-renew off will **automatically transition to EST** at expiration.

❑ Subscriptions purchased **before April 1, 2025** are not subject to these changes and will retain the existing free grace period.

No Grace Period– Proactive Renewal Governance Wins

Commercial Impact

- Default to paid EST = +3% monthly uplift (or +23% if no monthly SKU exists)
- No more, 'free' 30-day grace period means immediate billing for continued access
- Real cost shock for 'do-nothing' customers who previously relied on automatic grace periods

Operational Impact

- New EST-specific SKUs on separate price list possibly requiring PSA, billing, invoicing and system updates
- 'Exit anytime' with Daily Proration flexibility during EST allows customers to cancel, renew, or upgrade instantly.
- Partners must configure systems to handle new SKU structure and instant transaction processing

Contractual/Legal

- Grace Period is no longer applicable. Review for any updates required for your MSAs
- EST billed at a premium. Review updates needed in contract agreements.
- Consider EST policy impact on your templates, order forms and renewal notices

Subscription End-of-Term Options

Eligibility criteria

End-of-term options

Resulting behavior (Day after expiration)

Subscription end date:
On or after 5th May 26

Subscription start date:
On or after 1st Apr 25

Renewal

Renews as is or with changes

Extended service term

Move to EST subscription
3% uplift on current monthly price, cancel anytime

Cancel at expiration

Service ends
Subscription moves to disabled state

Subscription start date:
Before 1st Apr 25

Renewal

Renews as is or with changes

Grace period

Grace period
30–90 days of free service before moving to disabled state

Subscription end date:
Before 5th May 26

Renewal

Renews as is or with changes

Grace period

Grace period
30–90 days of free service before moving to disabled state

Customer Scenarios: Which Path Applies?

Use the table below to quickly identify the resulting behavior based on subscription dates.

#	Term	Start Date	End Date	Outcome
1	Any	On or after Apr 1, 2025	On or after May 4, 2026	→ EST
2	Any	Any date	Before May 4, 2026	→ Free Grace Period
3	3 Year	Mar 15, 2025	Mar 14, 2028	→ Free Grace Period
4	1 Year	Apr 10, 2025	May 9, 2026	→ EST
5	1 Month	Dec 14, 2025	Jan 13, 2026	→ Free Grace Period
6	1 Month	Apr 15, 2026	May 14, 2026	→ EST

Actions Available While in EST

Once a subscription enters EST, customers and partners have several options. Here's what is — and isn't — possible

#	Customer Scenario	Resulting Action
1	Takes no action, stays in EST	EST renews automatically each month
2	Wants to convert to standard subscription (no changes)	✓ Allowed
3	Wants to convert to standard subscription (with changes)	✓ Allowed with changes
4	Wants to cancel immediately	✓ Allowed — service disabled immediately
5	Wants to stay in EST but make changes	✗ Not possible — no modifications allowed while in EST
6	Wants to schedule a change at end of EST term	✓ Allowed — schedule cancellation or conversion for end of monthly term

📄 EST is billed monthly at current monthly rate + 3% uplift.

Extended service terms (EST) in PRISM

This screenshot shows the 'MANAGE SUBSCRIPTION' page in PRISM. The subscription details include: Dynamics 365 Business Central Essentials (NCE Product), Subscription Id [redacted], Vendor Subscription Id [redacted], Product SKU CFQ7TTC0LH34:0001, Status Active, Commitment Term 1 YEARS, Billing Frequency Annually, Effective End Date Local : Tuesday, February 9, 2027, 11:00:00 AM +1100, Auto Renew Yes, Renewal Mode -, Renewal Date UTC : 10 February 2027, Admin Agent Group Id, Microsoft Qualification Corporate, and PRISM End Date Local : Tuesday, February 9, 2027, 3:00:05 PM +1100. A 'Manage Renewal' button is highlighted with a blue circle. A warning message states: 'Please be advised that renewals may take up to 48 hours for Microsoft to process. Charges will still be incurred on suspended NCE subscriptions until the term end date.'

This screenshot shows the 'MANAGE RENEWAL' dialog box in PRISM. It contains a warning: 'Please be advised that renewals may take up to 48 hours for Microsoft to process.' The options are: Renew to new term, Renew to extended service term, and Cancel. The 'Schedule' is set to 'Term End'. A message states: 'Subscription renewal will occur on 10 February 2027 according to the below options.' The 'Renewal Quantity' is 1. The 'Renewal SKU' is Dynamics 365 Business Central Essentials (NCE Product). The 'Renewal Commitment Term' is 1 YEARS. The 'Renewal Billing Cycle' is Annual. The 'End date alignment' is Current. There is an unchecked checkbox for 'Align To End of Month'.

Extended service terms (EST) in ClouDiQ

Cloud IQ Ask ClouDiQ Demo Customer [T2/USD]

Action required!
If you plan to switch your Microsoft CSP Subscription renewal policy from paid 'Extended Service Term' (EST) to 'Cancel at end of term', please do so before **April 16th, 2026**, to avoid any potential last-minute issues ahead of Microsoft's deadline on May 4th, 2026.
Microsoft's updated renewal policy now includes the Extended Service Term, requiring you to review and adjust your preferences to maintain uninterrupted service and intended billing. For more details, refer to the news article below.

Home / Manage / Microsoft CSP / Demo Customer D

Demo Customer D Analyze Edit Account

Action Required
Review and accept the new terms in the Microsoft Customer Agreement (MCA), to avoid the blocking of new purchases and certain subscription management actions such as quantity increases or decreases, term duration, or billing plan changes, and upgrades. Accepting the new terms will not impact current operations or processes. Use an administrator account for this specific tenant for the acceptance. Open this link in a new browser window in incognito mode to Accept the MCA in your Microsoft 365 Admin Console.

Microsoft ID	Domain name	Invoice Profile	Reference	End-customer
414825c2-9d96-4359-a307-59f959235a3e	customerdemod.onmicrosoft.com	Default	N/A	Demo Customer 4

Subscriptions | Azure Plan | Azure Reservations | Software | Orders | Notifications | Reseller sales price | Activity log | Management

Search Product Status Billing Frequency Renewal + Add Subscription Download Subscriptions

Name	Product	Billing Frequency	Term	Subscription ID	Renewal	Scheduled Changes	Assigned	Quantity	Status
Dynamics 365 for Customer Service Enterprise Edition Device - Finance team	Dynamics 365 Customer Service Enterprise Device	Monthly	1 Year	7A2A05CD-E8B...	Renews 7 Sep 2026		0	4	Active
Microsoft 365 E3 - tenant x	Microsoft 365 E3	Monthly	1 Year	035be815-af7...	Expires 6 Sep 2026		0	17	Active
Microsoft 365 E5 (1)	Microsoft 365 E5	Monthly	1 Year	5dea9860-905...	Renews 6 Sep 2026		0	1	Active
Microsoft 365 E5 (no Teams)	Microsoft 365 E5	Monthly	1 Year	786e5d3e-60d...	Renews 6 Sep 2026		0	1	Active

Microsoft 365 E3 Subscription Active

Renewal policy

Renew to new term
Renews today

Update at the end of billing cycle
Renews on 16 Mar 2026

Renew to Extended Service Term
Month-by-month renewal

Cancel subscription

Renewal Quantity
Changes take effect upon subscription renewal date: **Tuesday 16 Mar 2026 at 1:00 AM**
The Current Unit Price is valid only for your current subscription term. After it expires, the next term will follow the updated pricelist at renewal.

Quantity: - **4** +

SKU upgrade
SKU: Microsoft Entra ID P2

Term and Billing Changes
Billing Cycle: Monthly | Term: Placeholder
 End Date Alignment
The current end date alignment is April 30, 2024.

Cancel Save

Microsoft 365 E3 Subscription Active

Details | Activity Log

Overview

Product Name	Microsoft 365 E3	Publisher	Microsoft
SKU ID	65322648CA01A12	Program	CSP
Current Unit Price	23.18 USD/year	Segment	Commercial
Current Total Price	230.18 USD/year	Product Type	Subscription

View More

Subscription renewal:
Renews to extended service term: Month-by-month Manage Renewal

Subscription Details

Assigned: 8 | Quantity: 10

Billing Cycle: Monthly | State: Active

Name: 16 Mar 2025
Invoice Profile: Default

Organization
 Apply Cloud-IQ Tags
Cloud-IQ Tags can be added as a reference to your products and subscriptions. Read More

Cancel Save

Key Takeaways

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Free grace period ends May 4, 2026

Eligible subscriptions will no longer receive free post-expiration service. Partners must guide customers to take action before expiration.

Three clear options at end of term

Renew, cancel at expiration, or move to EST (billed monthly at current price + 3%). No decision defaults to EST for eligible subscriptions.

EST is flexible but has restrictions

Customers can exit EST at any time, but cannot modify seats or service level while in EST.

Use Renewal Reports

Proactively monitor and manage customer renewals using the Renewal reports in PRISM and CloudIQ.

Thank You