



Davichi

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# MICROSOFT 365 NEW COMMERCE EXPERIENCE (NCE) – PARTNER INFORMATION

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## What is NCE?

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Microsoft is designing the new commerce experience to simplify and streamline how customers buy from Microsoft and to offer them more options for tailoring these purchases to their business needs and goals. It will also make the selling process, requirements, and capabilities much more consistent across the Microsoft product ecosystem.

You might have heard or seen it referred to as “Modern Commerce” in the past. Simply put, it’s the present and future of how Microsoft sells cloud products and services to customers, both directly and through partners like Davichi. If you have an Azure plan subscription or buy perpetual software, server software, Azure Reserved Instances, third-party offers or apps through the Cloud Solution Provider (CSP) program, your subscriptions are already on the new commerce platform. Microsoft is expanding the new commerce cloud product portfolio, introducing seat-based or license-based offers such as Microsoft 365, Dynamics 365, Power Platform, and Windows 365.

## When does NCE come into effect?

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- All new subscriptions created as of 1<sup>st</sup> March 2022 will automatically be governed by these conditions
- Subscriptions not renewed prior to 1<sup>st</sup> March will be transitioned to NCE as per
  1. At the end of each subscriptions end date (dates can be provided upon request)
  2. September 2022 when ALL remaining Legacy CSP subscriptions that were not renewed prior to 1<sup>st</sup> March 2022 will be transitioned to NCE.

## Possible actions for end users

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During the transition period from the Legacy CSP program to NCE there is an option that can be taken advantage of to give you a further 12 months of the current pricing and flexibility of the legacy CSP program.

To achieve this, Davichi can cancel your current subscription(s) and commit you to a new annual commitment **PRIOR TO 1<sup>ST</sup> MARCH 2022**, this will lock in the current price without the pending price increase for the 6 SKUs below. In addition, it will give you the same flexibility that you are used to having for a further 12 months.

Any new subscriptions created after the 1<sup>st</sup> March 2022 will automatically be governed by the NCE program terms.

If you choose to not take up this offer, your current subscription will convert to the new NCE Subscriptions at the below point in time:

1. At the end of each subscriptions end date (dates can be provided upon request)
2. September 2022 when ALL remaining Legacy CSP subscriptions that were not renewed prior to 1<sup>st</sup> March 2022 will be transitioned to NCE.

## Price increases taking effect 1st March 2022

Effective 1<sup>st</sup> March 2022 pricing for the following subscriptions will increase. Refer to the section “Possible Actions for End Users” for an option to avoid this price increase for the next 12 months.

For new subscriptions created after the 1<sup>st</sup> March 2022 the below pricing will automatically apply

All pricing is per seat per month and ex GST

Subscription	Monthly Commitment 20% Price Premium (AUD)	Annual Commitment (AUD)
Office 365 E1	\$16.44	\$13.70
Office 365 E3	\$39.96	\$33.30
Office 365 E5	\$66.00	\$55.00
Microsoft 365 Business Basic	\$9.96	\$8.30
Microsoft 365 Business Premium	\$36.24	\$30.20
Microsoft 365 E3	\$62.64	\$52.20

## Key Dates

The below table contains key dates to be aware of in the transition of subscriptions from Legacy CSP to NCE

	Possible Action
Jan 2022	Start provisioning new subscriptions on NCE
Feb 2022	<p>Cancel existing annual term monthly billing legacy CSP subscription, and start a new annual term monthly billing legacy CSP subscription for the same product.</p> <p>New subscription means that customer can continue to have the billing flexibility of the legacy offer for 12 more months, it also locks the price of licenses before price increase in March.</p>
Mar 2022	New subscriptions can only be provisioned on NCE
July 2022	Existing subscriptions can only be renewed on NCE
Sept 2022	Transition remaining subscriptions to NCE

## Differences between the legacy and NCE program

Legacy CSP Offer	vs.	NCE		
12 Months <sup>*</sup>	Term length	1 Month	12 Months	36 Months
Annual Commit RRP	Price	20% Premium vs Annual Commit RRP	Annual Commit RRP	Annual Commit RRP
Cancel / Suspend anytime. No penalty. Charges prorated.	Cancellation Policy	72 hours from start of term: Prorated After 72 hours: No cancellation possible and partner has to pay for remaining term (1 month, 12 months or 36 months).		
Add or reduce seat anytime. No penalty. Charges prorated.	Seats adjustment policy	Add seat any time. Charges prorated. No reduction of seats after 72 hours cancellation window. Customer has to pay for remaining term (1 month, 12 months or 36 months).		
Annual or Monthly	Payment Options	Monthly	Annually	3 Years upfront
All CSP seat-based products.	Products Available	Suite offerings and Windows 365 only. Currently Stand-alone offerings are not available on 1-month subscription term.	Available to all products except Windows 365.	Available to Dynamics 365 and Microsoft 365 (March 2022). TBC for other products.
Full subscription term (12 months)	Price Protection	Full subscription term ( 1 month)	Full subscription term (12 months)	Full subscription term (36 months)
Full flexibility to adjust seat quantity during subscription term.	Flexibility of licences	Increase and upgrade possible during mid-term. No option to decrease seat count during term (monthly, annually or multi-year).		

## Cancellation / changes policy

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### Canceling an entire subscription

You may cancel a subscription only within the first 72 hours of any term: prorated refund (proration calculated daily), including weekends and public holidays

- After first 72 hours of any term:
  - No cancellation.
  - All seats billed for full term.
  - If seats are added mid-term, same 72-hours policy applies to any reduction of additional seats.
  - When a cancellation is complete, the customer will immediately lose access to the service, and it can't be restored. The state for the subscription will be nonrecoverable.

### Seat adjustment mid-term

- You can add additional seats to a subscription at any time, Charges are prorated to the existing subscription end date Monthly, Annual or tri-annual
  - You have a 72 hour window to reduce or remove any additional seat number added mid term, after this 72 hour window no reduction is possible,
- No reduction of seat numbers after the 72 hour cancellation windows, no refunds for the remainder of the subscription term for un-used seats.

## Upgrades

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### Subscription upgrade

Upgrading means going from one paid subscription to another paid subscription, but you cannot go from a higher paid SKU to a lower paid SKU. You can process an upgrade at any time and can choose to either do a full upgrade where all seats in a subscription are upgraded, or a partial upgrade where only a select number of seats you choose are upgraded.

For example, mid term on an annual commitment you may upgrade either all licenses within a subscription (full upgrade) or some licenses (partial upgrade) from Microsoft 365 Standard to Microsoft 365 Business Premium. But you cannot go from Business Premium down to Business Standard.

### Term upgrade

You may also upgrade mid term from a Monthly term to either an annual or tri-annual term, however you cannot go down in term length, e.g. Annual term to monthly term. You can however do this at the end of the subscription rollover.

## Trials

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Trials on NCE will provision 25 licenses that are valid for 30 days and cannot be canceled. Trials will automatically convert to a paid offer. Davichi will notify you of upcoming trial conversions with two conversion options:

### Automatic trial conversion

- All 25 seats convert to paid offer
- Paid subscription starts on the next day
- Billing cycle monthly or annual, Payment in advance

### Manual trial conversion

- Trials can be converted to paid offers at any time during the trial period
- At the conversion point, the 72-hour cancellation period starts when seats can be reduced

## Term options

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- Monthly term option at 20% premium
- Annual term option, upfront payment
- Tri-annual term option, upfront payment

Please note that not all SKUs will have a monthly term option. Tri-annuals will only be available starting January 10, 2022 for some Dynamics SKUs. tri-annual availability for Modern workplace SKUs will be announced at a later date.

### Commonly ordered products available on annual term only \*

#### Available on Annual term only

- OneDrive for business (Plan 1/2)
- SharePoint (Plan 1/2)
- Exchange Online (Plan 1/2), Kiosk
- Enterprise Mobility + Security E3/5
- Azure Active Directory Premium P1/P2
- Common Area Phone
- Microsoft Teams Rooms Standard / Premium
- Project Online Essentials
- Project Plan 5
- Office 365 Extra File Storage/ Data Loss prevention
- Microsoft Defender for Endpoint P1/2
- Microsoft Defender for Identity
- Microsoft Intune Device
- Office 365 Data Loss Prevention
- Windows 10/11 Enterprise E5

#### Standalone offerings also available on monthly term

- Power BI Pro/Premium
- Project Plan 1/3
- Visio Plan 1/2
- Microsoft Teams Phone Standard
- Power Apps per user/app plan
- Windows 10/11 Enterprise E3

\* Subject to Change

## Premium pricing for monthly term

To retain the flexibility to reduce user numbers there is still a monthly term available however as of 1<sup>st</sup> March 2022 any new subscriptions under a monthly term will be charged at a 20% price premium over the annual commitment price

You can mix terms for the same subscription for example

- Commit 80% of your Microsoft 365 Business Premium seats on an annual commitment plan to lock in the cheaper price and price protection for a full 12 months.
- Commit the remaining 20% of your Microsoft 365 Business Premium seats on the monthly plan at the 20% premium to give you the flexibility to decrease (or removed entirely) these seats at the end of the month. There is no prorated refund for licenses cancelled mid-month.

## Auto renewal (roll-over)

All subscriptions are configured to auto rollover at the end of the term, to the same subscription term monthly, annually, tri-annually unless specifically requested, this ensures continuity of service.

With annual and tri-annual commitments you will be notified 90, 45 and 30 days prior to the rollover. This will allow for numbers to be adjusted or the subscription to be cancelled prior to the 72 hour window expiring and the auto renewal becoming locked in for the new commitment length.

You will be invoiced for annual and tri-annual subscriptions 30 days prior to the rollover date and payment is due prior to the rollover date. If payment is not received subscriptions are automatically suspended with no access until payment is received in full. **Note this policy will be strictly enforced.**

If you have any financial or budget restrictions, Davichi recommends prior to the subscription end date that you reach out to us and convert your annual or tri-annual subscription to monthly with the 20% premium charge to give you more flexibility.

## Price changes

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Microsoft reserves the right to increase prices with 7 days notice. Price changes within a subscription commitment term of Monthly, Annual or tri-annual will not be affected.

Upon subscription rollover at the end of the term, the subscription will automatically renew with the new list price automatically coming into effect, and for the same subscription period length.

Price increases will be notified to you as part of our standard 90, 45 and 30 day reminder of rollover for annual or tri-annual commitments. For monthly commitments price changes will be notified 7 days prior to the monthly rollover.



## Our process to request license changes

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### Requesting new subscriptions

A quote will be provided to you with options for both an annual commitment or monthly commitment with the 20% premium. Upon approval of the quote an invoice will be issued and upon receipt of payment the license(s) will be applied to your Microsoft 365 tenancy and users.

If you wish to mix both annual and monthly terms, please discuss this with Davichi and a quote will be created with these specific requirements and mix of user numbers.

### Requesting additional licenses to an existing subscription

If no licenses are currently free within your tenancy for the required subscription (for example from a former employee) a quote will be provided to you with options for both an prorated amount to add the additional license(s) co-termed to the current subscription end date or monthly commitment with the 20% premium, upon approval of the quote an invoice will be issued and upon receipt of payment the license(s) will be applied to your Microsoft 365 tenancy and users.

### Requesting a new user to be created

This will be handed in the same manner as “Requesting additional licenses to an existing subscription”

### Terminating an employee

When an employee is terminated the license(s) allocated to the user account will become free and will remain available for use within your Microsoft Tenancy, no refunds or credits are available. At the subscription end date and prior to the rollover any free licenses will be removed to avoid being billed after the rollover.

## Client portal

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Davichi is working with the developer of our ITSupportPanel software and are hoping to introduce forms within the portal to make managing current licenses and ordering additional licenses easier and more streamlined. At this stage we have no ETA for when this might be available.

## Davichi NCE terms and conditions

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### Subscription Terms

- Customer may subscribe to Microsoft licenses on a Monthly, Annual, or Multi-Year terms basis.
- Not all licenses have monthly terms
- Davichi will advise customers which licenses are available in respective terms
- Applicable billing changes to accommodate new subscriptions or change request will be reflected on the next billing cycle
- Monthly, Annual, and Multi-year subscriptions may be prorated on a monthly basis if appropriate or available
- Monthly term subscriptions in NCE are billed at a 20% premium over annual and multi-year licensing costs of the same product type
- Seat counts can be adjusted upward on any commitment term but if more than 72 hours have elapsed since the order was placed or the subscription was renewed, seat counts cannot be decreased until the renewal of the subscription (Monthly, Annual, or Multi-Year)
- Seats added mid-month will be prorated and co-terminated with the original renewal date. For monthly terms, billing will reflect in the next billing cycle and the seats added immediately. For annual or tri-annual terms payment must be received in full prior to the seats being added
- Mixing monthly and annual terms of the same product may result in different renewal dates based on the purchase date.
- New subscription purchases will potentially have a unique renewal date.
- Customer is committing to payment in full for all licenses included in monthly, annual, and multi-year subscriptions.
- Transfer of a customer subscription to another partner (MSP) is not supported until the end of the subscription term
- Any decrements made upon renewal for monthly commitments during the middle of the month will not be reflected until the next billing cycle
- Decrements made at renewal may result in a prorated credit which will reflect on the next billing cycle

### Subscription Cancellation

- A seat-based subscription of any term length can be cancelled but only within the first 72 hours of the term
- After that first 72 hours, no cancellation is possible; the customer will continue to be billed for the remainder of the term and will not receive a refund for any unused portion of the committed term.
- Any decrements to the subscription must be made at subscription renewal. (no later than 72 hours after auto-renewal)
- Increments made to the subscription mid-term have 72 hours in which they can be reversed. Any increment reversed will receive a prorated refund if it is inside the 72 window of eligibility.
- Early termination requires full payment of the remainder of the term of all subscriptions.

### Subscription Renewals

- Davichi will notify customer 90, 45, 30, and 14 days prior to annual or multi-year renewal
- Subscriptions will automatically renew for the same subscription period, monthly, annual tri-annual, unless agreed upon by both parties prior to the rollover / end date
- Monthly subscriptions will automatically renew each month
- Decrements made after the 1st of the month may not reflect on invoice until the next invoicing period
- Customer has 72 hours from the renewal date of a subscription to make any seat changes or cancel the renewal.

### Pricing

- Pricing from Microsoft is subject to change with 7 days notice made to the customer
- Annual and Multi-year commitments allow for price locking for the duration of the term
- Any increments made to annual or multi-year commitments capture the price locking of the original subscription purchase
- Any pricing change will be communicated before the automatic renewal of the subscription