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## Extended service terms partner FAQ

Frequently asked questions for partners

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## Summary of key changes

Effective May 4, 2026, we are modernizing end-of-term outcomes to create a more consistent and predictable experience. The free grace period for accessing services on non-renewed subscriptions will be discontinued. Customers and partners will have three choices after expiration.

Today, after a subscription expires, partners can:

- Renew the subscription or
- Turn auto-renew off, which today triggers a temporary free grace period.

Starting, May 4, 2026, and onward, the free grace period will be retired, and partners and customers will instead choose among three clear options at expiration:

- Renew the subscription.
- Cancel at expiration (customer will lose service at the end of the subscription).
- Move to extended service term (EST) to continue service, billed at an uplifted rate (monthly term rate + 3% uplift).

**\*Subscription eligibility:** License-based services purchased or renewed on or after April 1, 2025, and expiring on or after May 4, 2026, will need to decide between the new end-of-term options prior to expiration.

## Frequently asked questions

What are the recommended actions partners should take by May 4, 2026, to be prepared for extended service term policy enforcement?

Partners should discuss the available options with customers in advance of their subscription ending to ensure customers have time to choose from the following options: renewing their subscription, canceling it at end of term, or moving it to an extended service term (EST).

- Subscriptions that meet all three of following conditions will automatically be transitioned into EST at expiration:
  - Purchased or renewed on or after April 1, 2025, *and*
  - Expires on or after May 4, 2026, *and*
  - Auto-renew is set to off
- If customers do not wish to convert their subscription into EST, partners should take the necessary steps to either schedule renewal or cancellation at subscription expiry. Choosing to cancel at end of term means the customer will lose access to service the day after the subscription end date. This action must be taken at the individual subscription level—it is not possible for partners to opt out of EST at the partner or customer level.

Partners should plan and prepare for changes to existing API and UI functionalities to align with the updated subscription renewal options. Please review the key milestones below.

### Why is this change being introduced?

The change is being introduced to improve subscription management and ensure that customers who continue to use the service while next steps are decided will contribute to the cost of maintaining the service.

For subscriptions purchased/renewed on or after April 1, 2025, with an end date of the term on or after May 4, 2026, what options are available to customers and partners at the end of their subscription term?

For [eligible\\*](#) subscriptions, there are three options available to customers and partners at the end of their subscription term:

- **Renew to a new term:** Partners on behalf of customers can renew their subscription with or without changes (term length, billing plan, seats, upgrades, etc.).
- **Cancel at end of term:** Partners can set subscriptions and services to cancel at the end of term, and they will become unavailable immediately after expiration. This cancellation option will be available on February 16, 2026, via Partner Center UI and API. Partners can cancel at the end of term up to the day before the subscription's renewal date. Data for cancelled subscriptions will be retained for 90 days after cancellation date. Cancel as an end-of-term option means the subscription ends on its end date and the customer will lose access to the service.
- **Move to EST:** Partners on behalf of customers can move to an EST. Services will continue and be billed monthly at the current monthly price plus a 3% uplift (or 23% if no monthly plan exists). Subscription owners can cancel or convert out of EST anytime and will be billed for the days used (prorated monthly bill). This option will be available via Partner Center UI and API on May 4, 2026.

Partners should have early conversations with customers to understand their renewal preferences before their subscription expires. Please review the key milestones below.

[My subscription is in extended service term, what are my options?](#)

If your subscription is in EST, you have the following options:

- **Stay in EST:** Partners can keep the subscription in EST indefinitely. Services will continue and be billed monthly at the current monthly price plus a 3% uplift (or 23% if no monthly plan exists).
- **Cancel immediately:** Partners can cancel EST subscriptions at any time in Partner Center via UI or API starting May 4, 2026, and receive a prorated refund credit based upon the remaining billing period.

- **Convert to a standard subscription:** Partners can choose to convert their EST subscription to a standard subscription at any time. When they do, the EST subscription will be canceled immediately, and a **prorated refund** will be issued. A **new standard subscription** will begin on the day of the conversion. During the conversion process, partners will have the flexibility to **upgrade, downgrade, adjust seat counts, or make other changes** to the new standard subscription. Partners can also schedule their EST to convert to a standard subscription at the end of the current EST. In this case, no prorated refund will be issued as the EST was not cancelled prior to the end of its term.

### Can a subscription be modified in extended service term state?

Once a subscription enters the EST state, no modifications are permitted excluding cancellation. However, customers can convert from an extended service term subscription to a new standard subscription at any time. For subscriptions that go to or from EST or convert to other SKUs, the subscription IDs are retained.

When a subscription is in EST, a distributor can still update the reseller ID for the partner of record.

### Which channels and products are affected by the extended service term?

The EST and supporting features and policies will be applied to license-based services across all channels (CSP, MCA-E, and Buy Online), covering all markets.

Subscriptions of all terms will be impacted by ESTs (monthly, annual, triennial).

The following scenarios will all support the EST changes:

- Commercial
- Public Sector in CSP
- Specialized offers
- End of sale SKUs with conversion

The [following scenarios will not be supported](#) by EST:

- Software subscriptions
- Perpetual software

- Azure Reservations
- Third party
- Azure Savings plans
- Trials and End of sale SKUs

## What is the default renewal status when I purchase a new or renewing subscription?

By default, new or renewing subscriptions are set to renew into their existing subscription terms the day after the subscription end date. Partners can update their subscription renewal options up until the day before the subscription term ends.

## What happens if auto-renew is turned off when a subscription expires?

If the subscription is [eligible\\*](#) for EST and is not set to auto-renew, then the subscription will automatically transition to EST the day after the subscription end date.

Currently, auto-renew can be set on or off in Partner Center in the subscription renewal settings. Starting February 16, 2026, if you're managing renewal settings through Partner Center via UI or API and the subscription is [eligible\\*](#) to transition to EST, the "auto-renew off" option will be replaced with "renews to EST." You will also have the option to select "cancels at end of term" if you prefer to not renew or transition to EST.

## When and where is the policy regarding extended service terms introduced?

As reflected in the [CSP Program Guide](#) and Microsoft Product Terms, Microsoft reserves the right to charge for services on renewal. As communicated in October 2025, the EST policy will go into effect on May 4, 2026, and is applied to any subscription purchased or renewed on or after April 1, 2025, that expires on or after May 4, 2026.

## Where can I find a list of subscriptions with their renewal status?

On February 28, 2026, a Partner Center data export will be available for all EST subscriptions. Partners can use this data to identify EST subscriptions and determine the appropriate end-of-term decision based on renewal decisions with customers.

## What are the key milestones?

| <a href="#">Date</a>                  | <a href="#">Milestone</a>  |
|---------------------------------------|--|
| October 14, 2025                      | <p><b>Partner notification of upcoming introduction of extended service terms (EST)</b></p> <p>Microsoft announced the free grace period for accessing services on non-renewed subscriptions will be discontinued. Customers and partners will have three clear choices after expiration: renew, cancel, move to a paid <b>extended service term (EST)</b> to maintain service while next steps are decided.</p> <p>Renewal status column added to Partner Center Insights to improve visibility of upcoming expirations.<br/>Partner <a href="#">FAQ</a> published.</p> |
| November 3, 2025                      | <p><b>Sandbox resources available</b></p> <p>Partners can experience the <b>new end-of-term options</b> (renew, cancel, move to EST) for new subscriptions purchased after <b>November 3, 2025</b> in sandbox.</p> <p><a href="#">Microsoft Learn</a> documentation available.</p>   |
| February 1, 2026                      | <p><b>EST price list available</b></p> <p>EST SKUs published on a separate price list so partners can prepare their systems ahead of the effective date.</p>   |
| February 6, 2026 to February 15, 2026 | <p><b>Conversion backfill of autorenew false to EST</b></p> <p>During this time, the system will convert subscriptions eligible for EST from their autorenew false settings to EST. Partners will be able to start changing end of term choices they want starting February 16, 2026. Conversion backfill for specialized offers will come later from March 1, 2026 to March 8, 2026. Review the extended service term <a href="#">backfill topic</a> for important details.</p>   |
| February 16, 2026                     | <p><b>Production availability for UX and API allowing partners to select the three end-of-term paths</b></p> <p>Partners can manage and schedule <b>end-of-term preferences</b> (renew, cancel, move to EST) for all eligible* subscriptions in sandbox and production.</p> <p>For subscriptions expiring on or after May 4, 2026, partners can opt out of EST if desired.</p>   |

|                   |   |
|-------------------|---|
|                   | Production availability for Specialized offers will be available March 9, 2026.   |
| February 28, 2026 | <p><b>Partner Center data export available for standard offers</b></p> <p>Partners can export a list of subscriptions across all customers that are scheduled to move to EST at end of term.</p> <p>This enables partners to proactively review and align end-of-term decisions with customers.</p> <p>Specialized offers exports will be available March 9th</p>   |
| May 4, 2026       | <p><b>Enforcement of modernized end-of-term experience</b></p> <p>Eligible* subscriptions will follow the selected end-of-term preference at expiration.</p> <p>If auto-renew is off and no action is taken, eligible subscriptions will move to EST unless set to renew or cancel.</p> <p>No service will be provided after the end of the term if 'cancel' is the selection chosen at subscription end.</p> |

Are there different dates to review and set end-of-term options for standard vs. specialized offers?

- Standard offers:
  - February 16: Partners can review and set end-of-term options (renew, cancel, or EST).
- Specialized offers:
  - March 9: Partners can review and set end-of-term options.

For both offer types, May 4 is the enforcement date. At expiration, eligible subscriptions will move to EST only if auto-renew is off and the subscription is not set to renew or cancel.

What is the Partner Center user experience?

The subscription management page will expose three options for what happens at the end of the subscription’s term. Partners will have three options:

- Renew to a new term
- Move to EST
- Cancel at end of term

## What is the Partner Center API experience?

Similar to the user experiences, partners will have three options to choose from:

- **Renew:** No changes to this path for API partners. This option allows the partner to renew to a new term. Partners can schedule changes on the renew. This doesn't change.
- **Move to EST:** Partners will have a new property to set to explicitly select this option. Partners who do not update to explicitly select this path and instead set auto-renew to off will find these subscriptions are scheduled to convert to EST with the renewal flag set as true, enabling the conversion to the EST SKU after the end of the current term.
- **Cancel at end of term:** Partners will have a new property to set this option explicitly. Cancel means the customer will lose access to the service.

## Scenarios

### Can extended service term subscriptions be transferred between partners?

EST subscriptions aren't supported in partner-to-partner (P2P) transfers. If a customer needs to change partners, a new subscription must be created with the target partner.

Proactively discuss renewal, cancellation, or new subscription options with customers before a subscription reaches EST.

### If a subscription goes from extended service term to a new committed term, will there be a new subscription ID or will the original subscription ID be reused?

For subscriptions that go to or from EST or convert to other SKUs, the subscription IDs are retained.

If partners cancel a subscription at the end of the term, how long is data retained and when is service lost?

If a partner selects "cancel" at end of term, the subscription will go into a disabled state the day after expiration. In this state, the service will be lost, but the data will be retained for 90 days. This means that partners will still have 90 days from the subscription end date to recover the data for their subscriptions.

Once a subscription has been canceled, it cannot be reactivated. The customer must buy a net-new subscription to continue service.

If auto-renew is turned off and the subscription goes to extended service term, how long will my subscription stay in extended service term?

If auto-renew is turned off and the subscription goes to EST, it will indefinitely remain in EST until it is manually canceled. Once an EST subscription has been cancelled, it cannot convert back to the EST state.

If my subscription is currently in the extended service term state, can I schedule the cancellation of the subscription?

Yes, you can schedule the EST subscription to be canceled at the end of the current term or cancel immediately. Cancel means the customer will lose access to the service.

How do I see the EST charges for my customers?

ESTs are distinct SKUs and are available in a separate concise price list as of February 1. Charges for extended service terms will show up in the recon file and invoice like any other subscription and product SKU in the line-item charge.

## Will users keep service access before seats are manually reassigned during renewal?

Yes. When upgrading, old services remain active so you can reassign seats. If manual reassignment is needed, users retain access to their original seats for 30 days. For example, if you cancel 10 Microsoft 365 E3 seats and increase to 20 E5 seats, the E3 seats stay active for 30 days while you move users to E5. This also applies to many-to-one transitions.

## Which legal and contractual documents reference extended service terms?

On March 27, 2025, Microsoft announced an upcoming update to the CSP Program Guide. This update included terms reserving the right to charge for services provided after a subscription expires until cancellation. The same update was included in the product terms on August 1, 2025. Additionally, via a Microsoft Admin Center alert, all customers were notified of EST on January 9, 2026. In the notice, customers with a CSP partner were instructed reach out to their partner to discuss end-of-term options at the end of their subscription.

Please note, EST defines options for the customer to choose if and how a service can continue after expiration of the subscription term. The introduction of extended services does not require a change of contractual terms with customers midterm. Ahead of renewal, please review the new contract with your customers and highlight this change.

## Why does auto-renew off not default to cancel at expiration rather than move to extended service terms ?

The default to EST was designed to prevent unintentional service disruption to customers. Because customer choice is a core principle for Microsoft, changing the default from moving into EST to an automatic cancel state is not an option. The default preserves continuity, and partners can still choose to cancel at expiry if that's the outcome the customers want.

