



# Important changes to partner margin for Azure reservations coming in 2023

## Summary

Beginning in January 2023, partners will see a change in the Cloud Solution Provider (CSP) margin for all new Azure reservations.

## Impacted audience

Partners transacting through the CSP program

## Details

Beginning in January 2023, partners will see a change in the CSP margin for all new Azure reservations. Reservations currently receive a 5 percent margin and applicable Azure incentives.

These benefits will change so that partners will continue to receive the Azure incentive but will no longer receive margin pricing. This will only affect new reservation purchases, while reservations purchased prior to January 2023 will have the margin honored through the balance of the term. This change is an effort to align reservations to our other existing Azure offers and our broader partner and Azure strategy to focus on incentives and earned credit models.

Reservations is one of the few product types where the margin continues to be a key component of the partner model. Additionally, with the recent announcement of Azure savings plan for compute, there will soon be a wider array of offers available, so partners can make the choice that best suits their business and their customers.

## Next steps

No action is required, but partners should be aware that reservations purchased starting in January 2023 won't include a partner margin.

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## Your Microsoft Operations Team

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