

Microsoft's Commitments to the European Commission: Implications for Microsoft 365 & Microsoft Teams licensing

Table of contents

Summary of changes	1
Changes to pricing & packaging.....	1
Changes to discounting/incentives	3
Ability to switch to Suites without Teams at annual order period for multi-year term subscription:.....	3
General.....	4
Geographic scope	6
Licensing	7
Pricing & Discounting	8
Sales Guidance.....	9

Summary of changes

Changes to pricing & packaging

Microsoft will implement the following changes to commercial Microsoft 365, Office 365, and Microsoft Teams packaging and pricing [worldwide](#), effective November 1, 2025.

1. Reverse the end of sale for all Microsoft 365 & Office 365 Enterprise suites with Teams (O365 E1, E3, E5 and M365 E3, E5). All customers will be able to create new subscriptions for these SKUs and transition existing subscriptions to M365/O365 suites with Teams.
2. Reduce the price of [Microsoft 365 E3/E5](#) and [Office 365 E3/E5](#) suites without Teams by \$6.30, and [Office 365 E1/E1 Plus](#) suites without Teams by \$0.96.
3. Increase the price of [Microsoft Teams Enterprise](#) and [Microsoft Teams EEA](#) by \$3.30.
4. Reduce the price of [Microsoft 365 F3](#) suites without Teams by \$0.67.
5. Reduce the price of [Microsoft 365 Business Basic](#) suites without Teams by \$0.36, and [Microsoft 365 Business Standard/Premium](#) suites without Teams by \$0.96.
6. Offer all Microsoft 365 and Office 365 suites for Enterprise, Frontline, and Business in versions with Teams and without Teams across all channels where those suites are available.

These changes will bring our pricing and packaging into alignment with requirements laid out in Microsoft's Commitments to the European Commission ([§2a-b](#), [§3a](#)). No pricing or packaging changes are currently planned for [Microsoft 365 F1](#), [Office 365 F3](#), or [Teams Essentials](#). [Microsoft 365 Apps for Business](#) and [Microsoft 365 Apps for Enterprise](#) are not impacted by these changes.

Enterprise

Suites with Teams Available WW again as of <u>Nov 1, 2025</u>		Suites without Teams Decrease price by \$0.96 on OE1, \$6.30 on E3/E5 Suites	
Office 365 E1	\$10.00	Office 365 E1 (no Teams) and Office 365 E1 EEA (no Teams)	\$7.75 \$6.79
Office 365 E1 Plus ¹	\$20.00	Office 365 E1 Plus (no Teams) ¹	\$17.75 \$16.79
Office 365 E3	\$23.00	Office 365 E3 (no Teams) and Office 365 E3 EEA (no Teams)	\$20.75 \$14.45
Office 365 E5	\$38.00	Office 365 E5 (no Teams) and Office 365 E5 EEA (no Teams)	\$35.75 \$29.45
Microsoft 365 E3	\$36.00	Microsoft 365 E3 (no Teams) and Microsoft 365 E3 EEA (no Teams)	\$33.75 \$27.45
Microsoft 365 E5	\$57.00	Microsoft 365 E5 (no Teams) and Microsoft 365 E5 EEA (no Teams)	\$54.75 \$48.45
		Teams standalones Increase price by \$3.30	
		Microsoft Teams Enterprise and Microsoft Teams EEA	\$5.25 \$8.55

Frontline

Suites with Teams No change		Suites without Teams Decrease price by \$0.67 on MF3	
Microsoft 365 F1	\$2.25	Microsoft 365 F1 (no Teams) and Microsoft 365 F1 EEA (no Teams)	\$1.75
Office 365 F3 ²	\$4.00	Office 365 F3 (no Teams) ² and Office 365 F3 EEA (no Teams) ²	\$3.50
Microsoft 365 F3	\$8.00	Microsoft 365 F3 (no Teams) and Microsoft 365 F3 EEA (no Teams)	\$7.60 \$6.93

Business

Suites with Teams No change		Suites without Teams Decrease price by \$0.36 on Basic, \$0.96 on Standard/Premium	
Microsoft 365 Business Basic	\$6.00	Microsoft 365 Business Basic (no Teams) and Microsoft 365 Business Basic EEA (no Teams)	\$4.75 \$4.39
Microsoft 365 Business Standard	\$12.50	Microsoft 365 Business Standard (no Teams) and Microsoft 365 Business Standard EEA (no Teams)	\$10.25 \$9.29
Microsoft 365 Business Premium	\$22.00	Microsoft 365 Business Premium (no Teams) and Microsoft 365 Business Premium EEA (no Teams)	\$19.75 \$18.79
		Teams standalone No change	

¹ Office 365 E1 Plus and Office 365 E1 Plus (no Teams) is available on the CSP pricelist and as a lead status SKU on the Enterprise Agreement. Product availability is limited to LATAM, ASEAN, and India

² Office 365 F3 is available in CSP globally and as a lead status SKU in VL for ASEAN, India, and LATAM.

Please note: This pricing is subject to change and may vary by country and currency.

What this means for partners:

- These pricing changes will be reflected on the November 1, 2025, CSP price list preview (available October 1, 2025) and on the November 1, 2025, CSP price list. Partners may choose how to reflect them to customers.

Changes to discounting/incentives

Under the terms of Microsoft's Commitments to the European Commission, Microsoft will provide additional guarantees for customers in the European Economic Area (EEA) purchasing directly from Microsoft to:

1. Offer customers in the EEA the same discounts on suites without Teams as they are offered on suites with Teams.
2. Offer those customers no higher discounts on Teams standalones than are available to that customer for "no Teams" suites.
3. Refrain from making discounts offered on "no Teams" suites for those customers contingent on purchase of a Teams standalone.
4. Refrain from providing incentives to partners to offer larger discounts on suites with Teams than on "no Teams" suites.

What this means for partners:

- Any discounts offered by Microsoft to EEA customers—defined as those with a billing address in the EEA—purchasing through partners on suites that include Teams will also be applicable to suites without Teams, at the same percentage rate.
- While [Microsoft will enable partners](#) to offer the same guarantees on discounts, each partner may choose whether or not to provide them.
- The Commitments do not place restrictions on Microsoft discounting policies for customers outside the EEA.

Ability to switch to Suites without Teams at annual order period for multi-year term subscription:

Microsoft's agreement with the European Commission provides additional guarantee for EEA customers on multi-year contracts. EEA customers on multi-year term subscriptions will be able to transition from suites with Teams to the corresponding suites without Teams at their annual order period for the next five years. Customers who switch at their anniversary will pay the current suite price without Teams.

What this means for partners:

- Microsoft will introduce Partner Center capabilities that enable partners to transition customers on multi-year subscriptions of suites with Teams to the corresponding suites without Teams at the anniversary of that multi-year term subscription date (every 12 months counted from the start date of the subscription).
- Microsoft will also enable partners to maintain customers' previous percentage discount on multi-year term subscription sold by the partner for the rest of their agreement term. Each partner may choose whether or not to provide them.

General

1. Why are we making changes to our packaging, pricing, and discounting policies?

We are making these changes pursuant to a legally binding agreement with the European Commission (EC) that resolves concerns raised with the Commission regarding our inclusion of Teams in our Microsoft 365 and Office 365 suites.

2. Do these changes only apply to customers, partners, and sellers in Europe?

No. The changes that Microsoft is making worldwide include (1) the reversal of end of sale on Microsoft 365/Office 365 Enterprise suites with Teams and (2) the price changes to the suites and Teams as outlined above.

The changes that Microsoft is required to make within the EEA include (1) the discounting requirements outlined above and (2) the ability for EEA customers on multi-year contracts purchased directly from Microsoft to transition to suites without Teams at their annual order period.

It is important to note, [Microsoft will enable partners](#) to offer the same guarantees on pricing, transitions, and discounts, though each partner may choose whether or not to provide them to customers.

3. When will these changes take effect?

Microsoft will introduce the new packaging, pricing, and discounting policies outlined above as of November 1, 2025.

Customers who currently subscribe to Microsoft 365 or Office 365 suites without Teams or to Teams Enterprise standalones will be subject to the new pricing outlined above at their next renewal after November 1, 2025.

4. How will the reintroduction of the M365/O365 Enterprise suites with Teams affect customers?

As of November 1, 2025, new customers will have more options than before. They will once again be able to purchase the M365/O365 Enterprise suites that include Teams across all channels where those suites are sold.

Existing customers who wish to create new subscriptions of the M365/O365 Enterprise suites that include Teams will be able to do so. Customers will also be able to transition subscriptions from suites without Teams to the suites with Teams.

5. What products/SKUs will be affected by Microsoft's Commitments to the European Commission?

Microsoft's Commitments to the European Commission apply to:

- All Office 365 and Microsoft 365 Enterprise suites with and without Teams (Office 365 E1/E3/E5; Microsoft 365 E3/E5)

- All Microsoft 365 Business suites with and without Teams (Microsoft 365 Basic/Standard/Premium)
- All Microsoft Teams standalones (Teams EEA/Enterprise/Essentials)

As noted in our [EU Policy Blog](#), Microsoft is also committing to continuing to offer versions of our Frontline worker suites without Teams globally.

6. Do these changes affect Office 365 E1 Plus?

Yes. The price of Office 365 E1 Plus (no Teams) will be reduced by \$0.96—the same reduction as Office 365 E1 (no Teams). Office 365 E1 Plus and Office 365 E1 Plus (no Teams) are available on the CSP pricelist and as a lead status SKU on the Enterprise Agreement. Product availability is limited to LATAM, ASEAN, and India.

7. Do Microsoft's Commitments to the European Commission apply to Consumer, Academic, US Government, or Nonprofit SKUs?

Consumer, Academic, US Government, and Nonprofit-specific SKUs are not currently impacted.

8. Will these pricing changes affect the options available to non-US Governments?

Government entities that purchase from the commercial price list—including many non-US governments—will be affected by these pricing changes in the same ways as commercial customers.

9. Can partners highlight Teams value as a Microsoft 365 component in their own marketing?

Yes, a partner is allowed to promote Teams value in Microsoft 365 and the Microsoft 365 with Teams suites in their to-customer marketing.

10. What was at issue in the investigation being settled?

The European Commission's (EC's) investigation was sparked by a [competition complaint](#) against Microsoft filed by Slack (now owned by Salesforce) in July 2020. On 20 July 2023, the German video conferencing company Alfaview announced that it had filed a corresponding [competition complaint](#).

Following the announcement of the EC's investigation, Microsoft took steps toward addressing the concerns at issue by changing the way Office 365, Microsoft 365, and Microsoft Teams are licensed, [first in the European Economic Area \(EEA\)](#), and [then worldwide](#), and by [creating the Microsoft 365 Document Collaboration Partner Program \(MDCPP\)](#). Those changes:

- Ended the sale of our core enterprise suites with Teams (Microsoft 365 E3/E5 and Office 365 E1/E3/E5) to new customers,
- Introduced a new lineup of enterprise, business, and frontline suites without Teams,
- Introduced a new Teams standalone SKU for Enterprise (Teams EEA in Europe, Teams Enterprise elsewhere), and
- Established a path for eligible platform providers to integrate Microsoft 365 productivity apps into their platforms.

You can learn more about these previous actions by leveraging the resources linked from the [Modern Work for Partners Transform](#) page.

11. Do Microsoft's Commitments to the European Commission call for any monetary damages or payouts?

No.

12. Where can I read the terms of Microsoft's Commitments to the European Commission?

They are available alongside [the European Commission's announcement](#).

Geographic scope

13. Will there be impacts in regions outside the EEA?

Yes. Microsoft will align packaging and pricing for our Microsoft 365/Office 365 suites and Teams service globally, as we've done in the past. The changes that Microsoft is making worldwide include (1) the reversal of end of sale on Microsoft 365/Office 365 Enterprise suites with Teams and (2) the price changes to the suites and Teams as outlined above.

14. Will there still be different "no Teams" suites for the EEA and Switzerland vs. the rest of the world?

Yes.

15. Do Microsoft's Commitments to the European Commission agreement apply in Switzerland as well as the EEA?

No. The Commitments apply only to countries within the EEA. [View the official list of EEA countries.](#)

16. How can partners determine which customers can purchase "EEA (no Teams)" suites vs. "no Teams" suites?

Customers with a billing address in an EEA country, who purchase from EEA pricelists, can purchase "EEA (no Teams)" suites.

Customers with a billing address outside the EEA, who purchase from non-EEA pricelists, can purchase "no Teams" suites.

17. Should customers decide which SKUs to purchase based on where their employees are located?

No. Customers should purchase the non-EEA "no Teams" SKUs or the "EEA (no Teams)" SKUs based on the location of their enrollment and tenant, not the individual users.

18. Some EA/EAS price lists that are shared by EEA and non-EEA countries show both the EEA (no Teams) and non-EEA "no Teams" SKUs. Does that mean the customer gets to choose which one they purchase?

No. Customers should purchase the "EEA (no Teams)" SKUs for enrollments inside the EEA and Switzerland, and the non-EEA "no Teams" SKUs for enrollments outside the EEA and Switzerland. The SKUs themselves will be systematically blocked from being transacted in countries in which they are not available for deployment.

19. How will this change impact Multi-Geo capabilities (add-on)?

This will impact customers while attempting to move ANY subscription from a tenant in one market to another tenant in another market.

If transferring "no Teams" suites between regions that are both outside the EEA and Switzerland, this will be permitted due to their availability in both markets.

If transferring "no Teams" suites from a country outside of the EEA/Switzerland to Switzerland or an EEA country, this will not be permitted, and the transfer will be blocked with an Error Message.

The reverse is also true of the "EEA (no Teams)" suites—customers are permitted to transfer within the EEA and Switzerland, but not beyond those regions.

20. What is the difference between the "EEA (no Teams)" and "no Teams" suites?

There is no difference in functionality, only geographic availability.

21. Do these changes affect the options available for Sovereign Clouds (e.g. 21Vianet)?

European sovereign clouds will be subject to the terms of the Commitments, and offerings for those clouds will be updated in the same ways as for other European commercial customers. Sovereign clouds outside the EEA are not covered by the Commitments and will not be impacted by the changes.

Licensing

22. Which channels are affected by the terms of the Commitments?

The Commitments apply to all commercial purchasing channels.

23. Are there any changes to licensing or usage rights?

No, this announcement does not include any additional changes to the licensing or usage rights of the Microsoft 365 or Office 365 products.

24. Can customers have a mix of “no Teams” suites and suites with Teams within the same tenant? For example, could a customer deploy 200 seats of Microsoft 365 E3 (no Teams) alongside the 100 seats of Microsoft 365 E3 they’ve already deployed?

Yes.

25. Do “no Teams” suites still include [any given suite feature: e.g., Teams Phone, Viva Insights]?

Yes. The “no Teams” suites still include all the same workloads as the full suite, except for Teams itself. However, in order to use workloads that require Teams, customers must still ensure they are licensed for Teams either as part of the suite or as a standalone.

26. Can customers on multi-year contracts switch to “no Teams” suites at their anniversary?

Yes. The Commitments require that EEA customers purchasing directly from Microsoft on multi-year contracts be provided the opportunity to switch to “no Teams” suites at their anniversary for the next five years.

Customers who switch at their annual order period will pay the current suite price without Teams, maintaining their previous percentage discount, for the rest of their agreement term

For EEA customers purchasing through CSP, Microsoft will introduce capabilities in Partner Center to enable partners to transition customers on multi-year subscriptions of suites with Teams to the corresponding suites without Teams at the anniversary of that multi-year term subscription date (every twelve months counted from the start date of the subscription). Microsoft will also enable partners to maintain customers’ previous percentage discount on multi-year term subscription, for the rest of their existing agreement term. Each partner may choose whether or not to provide them.

27. Are Microsoft 365 E3/E5 (no Teams) and Office 365 E1/E3/E5 (no Teams) suites classified as Enterprise Online Services like the equivalent suites with Teams?

Yes.

28. How can commercial customers with VL agreements other than EA/EAS (e.g., MPSA, OVS) purchase the “no Teams” suites?

As of November 1, 2025, “no Teams” suites will be available in all channels where suites with Teams are available, including legacy VL.

29. Are there any prerequisites for purchasing Teams Enterprise/Teams EEA?

No. Like Teams Essentials, Teams Enterprise and Teams EEA are true standalones; there are no prerequisites.

30. What will change for workloads that require Microsoft Teams to function? Will they still be included in the “no Teams” suites?

Only Microsoft Teams is excluded from the “no Teams” suites. Customers will still be licensed for all other features and functionality included in the suite. However, to use certain features and workloads that depend on Teams (e.g., Teams Phone, Viva Insights, Audio conferencing), customers will need to ensure they have Teams either as part of a suite or as a standalone. For more details, please [refer to the detailed plan comparison](#).

31. What impact will these changes have on licensing requirements for Microsoft 365 Copilot?

None. Customers do not have to buy Microsoft Teams to be eligible to purchase Microsoft 365 Copilot. However, in order to use certain Copilot features and workloads, customers will need to ensure they have Teams either as part of a suite or as a standalone.

Pricing & Discounting

32. Will there be price changes for existing customers on current suites and standalones?

Yes. Customers who currently subscribe to Microsoft 365 or Office 365 suites without Teams or to Teams Enterprise standalones will be subject to the new pricing outlined above at their next renewal after November 1, 2025. Pricing for Microsoft 365 and Office 365 suites with Teams will not be affected by this settlement.

The November 1 Price List Preview (October 1 publish) will reflect the price changes.

33. When is the earliest that customers who currently subscribe to suites with Teams can switch to “no Teams” suites to take advantage of new pricing?

Customers can switch from suites with Teams to the corresponding “no Teams” suites at their next renewal date after November 1, 2025. Customers with subscriptions of M365 E3 and M365 E5 with Teams 3-year SKUs will have the option to switch to the corresponding “no Teams” suite at the anniversary of that multi-year term subscription date (every twelve months counted from the start date of the subscription).

Customers can upsell to a “no Teams” suite midterm or at their next renewal date.

34. How do the Commitments impact to-partner promotional offers (discounts) for Microsoft 365 and/or Teams in CSP?

Any discounts offered by Microsoft to EEA customers—defined as those with a billing address in the EEA—through partners on suites that include Teams will also be applicable to suites without Teams, at the same percentage rate.

While Microsoft will enable partners to offer these discounts to CSP customers, each partner may choose whether or not to provide them.

The Commitments do not place restrictions on Microsoft discounting policies for customers outside the EEA.

Why are the price for “no Teams” SKUs for EEA and rest of world not comparable across currencies?

The differences are not intentional; they are the unavoidable result of how pricing is systematically calculated from the base list price. For more information on how Microsoft sets prices, see [Consistent global pricing for the Microsoft Cloud - Microsoft News Centre Europe](#). For pricing, please refer to the [CSP Price List](#). For details on which SKUs can be sold in which regions, please refer to the [Availability](#) section above.

35. Where can I find more information about the impacts of the investigation and Commitments on Microsoft 365 and Teams licensing?

More information can be found on the [Partner Blog](#) and in the [Partner Gallery](#). Additional assets produced for prior phases of these changes are available on the [Modern Work Partner Portal](#).

Sales Guidance

36. Do Microsoft's Commitments to the EC require partners to offer the suites without Teams to customers?

No. Microsoft will make the suites with Teams and suites without Teams available to partners, but each partner may choose whether or not to provide them.

37. Do Microsoft's Commitments to the EC require partners to pitch the suites without Teams to every customer?

No. Partners are still allowed to lead with the suites that include Teams in sales conversations. You are not required to proactively introduce suites without Teams into discussions where the customer has shown no interest in that type of solution.

38. My customer has a current subscription to one or more suites with Teams and wants to switch to suites without Teams. When can they do so?

CSP customers on month-to-month or annual term subscriptions of suites with Teams can continue to switch to the equivalent suites without Teams at renewal. Customers who want to upsell from suites with Teams to suites without Teams (i.e. O365 E3 with Teams to M365 E3 without Teams) can do so mid-term or at renewal.

EEA customers on triennial term subscriptions of suites with Teams (M365 E3, M365 E5) will be able to switch to the corresponding without Teams suites at the customer's anniversary date (next annual order date) for the 3-year term.

39. My customer has a current subscription to one or more suites without Teams and wants to switch to suites with Teams. When can they do so?

As of November 1, 2025, all customers will have more options than before. They will once again be able to purchase new subscriptions of the M365/O365 Enterprise suites that include Teams. Customers will also be able to transition from suites without Teams to the suites with Teams.