

Microsoft Dynamics 365 Business Central Licensing Guide

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Contents

- Subscription Licensing Requirements 1
- Licensing Programs 3
- International Availability 4
- Country, language, and localization availability for Dynamics 365 is available here. 4
- Microsoft Dynamics 365 Subscription License Types 4
- Default Subscription Capacities 6
- Additional Services and Software 6
- Support 7
- Additional Resources 7
- Appendix A: Essentials Functionality 8
- Appendix B: Premium Functionality 9
- Appendix C: Change Log 10

Using This Guide

This guide is designed to improve your understanding of how to license Microsoft Dynamics 365 Business Central.

This document does not apply to Microsoft Dynamics 365, Microsoft Dynamics 365 on-premises, Microsoft Dynamics 365 for Operations on-premises, Microsoft Dynamics NAV, Microsoft Dynamics GP, Microsoft Dynamics SL, Microsoft Dynamics AX 2012 or prior versions, or Microsoft Dynamics CRM 2016 or prior versions. This guide is not intended to influence the choice of Microsoft Dynamics products and services or provide technical specification. The examples presented in this guide are illustrative. Microsoft reserves the right to review or update this document at any time without notice.

For help determining the right technology solution for any given organization, including the license requirements for a specific product or scenario, consult with your Microsoft account team or your Microsoft Dynamics Certified Partner.

This guide does not supersede or replace any of the legal documentation covering use rights.

Introduction to Microsoft Dynamics 365

Microsoft Dynamics 365 Business Central (previously known as Dynamics 365 for Finance and Operations, Business edition) fits the needs of midsize businesses with core business needs. It helps organizations connect their financials, sales, purchase, inventory, projects, service, and operations.

With Dynamics 365 Business Central, you must license at least one of Dynamics 365 Business Central Essentials or Dynamics 365 Business Central Premium users. Additional access to the service functionality by other users is licensed with Dynamics 365 Business Central Team Members.

Dynamics Business Central functionality is delivered through the Dynamics 365 Business Central Essentials or Premium User.

Subscription Licensing Requirements

Licensing Requirements for Internal Users

You may license access to Microsoft Dynamics 365 Business Central by purchasing a Subscription License (SL) for every internal user who directly or indirectly accesses the service.

Dynamics 365 Business Central has one type of SL:

- User SLs are assigned on a “named user” basis, meaning each user requires a separate User SL; User SLs cannot be shared but an individual with a User SL may access the service through multiple devices.

The User SL grants users non-perpetual rights (with no buy-out rights) to the use of the Dynamics 365 Business Central service. As long as you are current on your subscription payments and adhere to the [Product Terms and the Online Service Terms](#), you will have access to the most up-to-date version of your Microsoft Dynamics 365 Business Central.

Licensing Requirements for External Users

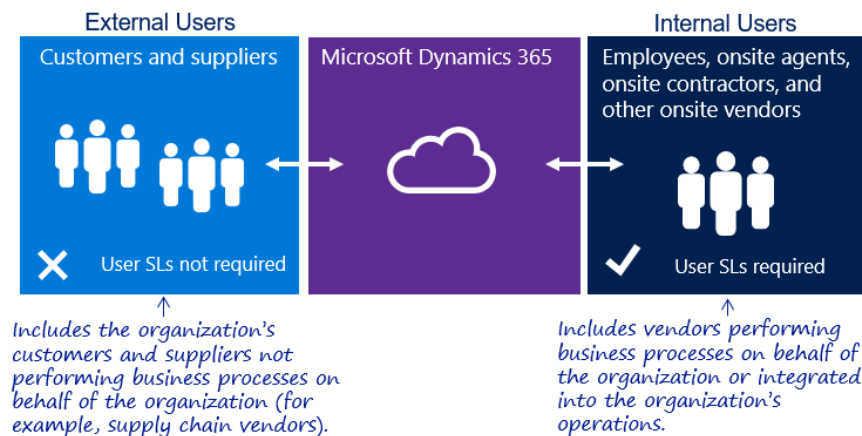
External users are end customers and third-party users of the organization or its affiliates and do not require SLs to access Microsoft Dynamics 365. External user access is included with the organization’s internal user SLs.

External users cannot use any clients provided by the Microsoft Dynamics 365 Business Central Application Programming Interface (API), such as the Windows client, the Web client, the Windows, the iPad or iPhone app, or the Android application.

In addition, external users include off-site vendors not on an employee-like relationship with the organization or its affiliates (e.g. IT help desk support vendors serving multiple customer organizations).

However, external user access does not extend to the customer or the customer's affiliate's contractors, vendors, or agents providing business processes on the customer's behalf or using Microsoft Dynamics 365 to manage any portions of their business. In this sense, the customer may not use Microsoft Dynamics 365 to provide business process outsourcing services to its clients.

Figure 1: Internal vs. external users



Multiplexing

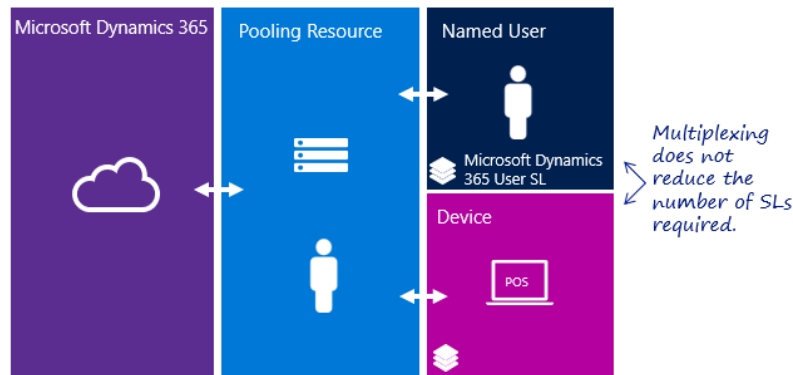
Multiplexing refers to the use of hardware or software that a customer uses to pool connections, reroute information, reduce the number of devices or users that directly access or use Microsoft Dynamics 365 service. Multiplexing does NOT reduce the number of SLs of any type required to access the Microsoft Dynamics 365 service. Any user or device that accesses Microsoft Dynamics 365—whether directly or indirectly—must be properly licensed.

Microsoft Dynamics 365 SLs are required for users or devices that directly input, query, or view data from the Microsoft Dynamics 365 service. Similarly, Microsoft Dynamics 365 SLs are required for users or devices that input data into, query, or view data from Microsoft Dynamics 365 through a pooling device. Pooled connections use a non-interactive user account in Dynamics 365 that can access the system but only via the web service layer. Internal users and devices accessing Microsoft Dynamics 365 data indirectly through a portal or via an API to a separate service such Microsoft Outlook must also be properly licensed, regardless of if they are set up as a Microsoft Dynamics 365 user in the service, for example:

- Internal users and devices access Microsoft Dynamics 365 data indirectly through a PowerApps must still be properly licensed for Dynamics 365.
- Any user or device that accesses the service, files, data, or content provided by the service that is made available through an automated process requires a Microsoft Dynamics 365 SL.
- The number of tiers of hardware or software between the Microsoft Dynamics 365 service and the user or devices that ultimately use its data, services, or functionality does not affect the number of SLs required.

For additional information about multiplexing refer to the Microsoft Volume Licensing Brief [Multiplexing—Client Access License \(CAL\) Requirements](#).

Figure 2: Multiplexing



Dual Use Rights

One of the advantages of Dynamics 365 is dual use rights. This allows customers the option to deploy the server software either in Microsoft’s cloud or in a private on-premises or partner-hosted cloud. In some cases, customers may want to deploy both types of instances simultaneously. This might be done to help with migrating a Dynamics 365 on-premises deployment to Dynamics 365, running private Dev/Test deployments in Microsoft Azure. With Dual Use Rights, Dynamics 365 users licensed with the required User SL do not need to acquire CALs to access Server instances.

Users or devices licensed with Dynamics 365 SLs have use rights equivalent to a CAL for the purpose of accessing equivalent on-premise workloads. With Dynamics 365 the server license is included with the SLs. Licenses for all supporting servers (e.g., Windows Server and CAL(s)) must be obtained separately.

Users or devices licensed with the following SLs may access the on-premise Dynamics 365 Server software provided via dual use rights:

- Dynamics 365 Essentials
- Dynamics 365 Premium
- Dynamics 365 for Team Members

To take advantage of Dual Use rights, a Dynamics 365 Business Central cloud subscription needs to be activated via CSP. Once the subscription has been activated, a customer account will be created in PartnerSource Business Center (PSBC) with the equivalent user SLs. The customer can access their on-premises/dual use rights license key (flf. format) by signing in to CustomerSource, selecting the ‘My Products and Services’ link from the dropdown menu and then clicking on the ‘Registration Keys’ link beside the Microsoft Dynamics 365 Business Central product.

Note: The on-premises license file is valid as long as the cloud subscription is active.

When you update your online subscription (for example, reduce the user count), you and/or your customer are obligated to download a new on-premises license file from PSBC to reflect the changes made on the cloud subscription.

Licensing Programs

Microsoft Dynamics Business Central subscriptions are only available through the Cloud Solution Provider program. Visit the <https://partner.microsoft.com/en-US/cloud-solution-provider> to learn more about CSP.

International Availability

Country, language, and localization availability for Dynamics 365 is available [here](#).

Microsoft Dynamics 365 Subscription License Types

Microsoft Dynamics 365 simplifies licensing of business applications. The primary licensing is by named user subscription. The Microsoft Dynamics 365 user subscriptions classify users into two types, “full users” and “additional users”.

Full users are the users whose work requires use of the feature rich business applications functionality. Examples of full users are sales people, customer service representatives, finance employees, controllers and supply chain managers. These users have also been referred to in the past as Pro users or Power Users. These full users are licensed with a Dynamics 365 Business Central subscription.

Additional users often represent a significant percentage of users in an organization and may consume data or reports from line of business systems, complete light tasks like time or expense entry and HR record updates or be heavier users of the system, but not require full user capabilities. These additional users are licensed with Dynamics 365 Business Central Team Members.

Figure 3: User Types



Dynamics 365 Business Central Team Members

The Dynamics 365 Business Central Team Members subscription is a named user subscription designed for users who are not tied to a particular function, but who require basic Dynamics 365 Business Central functionality. This license includes read access as well as some write access for select light tasks across Dynamics 365 Business Central functionality for a given tenant. The Dynamics 365 Business Central Team Members SL grants a user full read access to Dynamics 365 Business Central Essentials and Dynamics 365 Business Central Premium for a given tenant. In addition, the Dynamics 365 Business Central Team Members SL includes some limited use write access to Dynamics 365 Business Central Essentials and Premium.

Dynamics 365 Business Central Team Members also includes the “PowerApps for Dynamics 365 Applications” license. Dynamics 365 Business Central Team Members users can use PowerApps to access Dynamics 365 Business Central within the bounds of their Team Members license.

Dynamics 365 Business Central Team Members requires that at least one other user be licensed with Dynamics 365 Business Central Essentials or Dynamics 365 Business Central Premium. Dynamics 365 Business Central Team Members use rights:

- (i) Read anything within Dynamics 365 Business Central

- (ii) Update existing data and entries in Dynamics 365 Business Central - existing data are records like customer, vendor or item records which are already created. Entries means entries on which it is specifically allowed from an accounting perspective to update specific information. (e.g. due date on customer ledger entries)
- (iii) Approve or reject tasks in all workflows assigned to a user
- (iv) Create, edit, delete a quote
- (v) Create, edit, delete personal information
- (vi) Enter a time sheet for Jobs
- (vii) Use PowerApps for Dynamics 365
- (viii) A Team Members application module may not be customized with more than 15 custom entities available to the Dynamics 365 Team license*

*Customization is only allowable if it does not result in a change to core purpose of the specified scenario

See [Appendix A](#) for a summary of Dynamics 365 Business Central Essentials use rights, [Appendix B](#) for a summary of Dynamics 365 Business Central Premium use rights, and the PowerApps licensing guide for additional information on PowerApps for Dynamics 365 licensing.

Dynamics 365 Business Central

Subscriptions are named user subscriptions where a user is licensed for Dynamics 365 Business Central Essentials or Dynamics 365 Business Central Premium. The following application is part of Dynamics 365 Business Central: PowerApps for Dynamics 365.

Business Central Application

Dynamics 365 Business Central is a comprehensive business management solution for SMBs. The Dynamics 365 Business Central application can be licensed two ways:

Dynamics 365 Business Central Essentials:

- (i) Financial Management
- (ii) Customer Relationship Management
- (iii) Project Management
- (iv) Supply Chain Management
- (v) Human Resources Management
- (vi) Warehouse Management

Dynamics 365 Business Central Premium:

- (i) Everything in Essentials
- (ii) Service Management
- (iii) Manufacturing

Note, you may not mix and match Essentials and Premium users. You must license Essentials or Premium users but not both.

Dynamics 365 Business Central (per user license) – This license provides users with unrestricted access to the functionality included in Dynamics 365 Business Central Team Members and Business Central.

Dynamics 365 Business Central Applications include the “PowerApps for Dynamics 365 Applications” license. Dynamics 365 Business Central users can use PowerApps to access Dynamics 365 within the bounds of their Dynamics 365 Business Central Essentials or Premium license.

Customers who have external accountants who wish to connect to the Dynamics 365 Business Central application can purchase one per tenant at no additional cost. External Accountant Licenses contain all the

same use rights as Dynamics 365 Business Central license except for the following: Access to user set up or admin tasks and any other Dynamics 365 Business Central application.

See [Appendix A](#) for a summary of Dynamics 365 Business Central Essentials use rights, [Appendix B](#) for a summary of Dynamics 365 Business Central Premium use rights, and the PowerApps licensing guide for additional information on PowerApps for Dynamics 365 licensing.

Default Subscription Capacities

Production Instance	1 Included
Non-Production Instance	None
Database Storage	80GB
External Accountant Licenses	1 Included
Companies	Unlimited
Cortana Intelligence	1800 seconds per month/tenant

Additional Services and Software

Licenses for Microsoft Dynamics 365 Business Central service do not include licenses for other products and services that may be necessary to light up integrated scenarios or extend functionality; product licensing rights for these must be established separately. The following resources can help you to determine the required additional licenses:

Microsoft PowerApps

Microsoft offers additional services and software that work in tandem with Dynamics 365. These services are included in Dynamics 365 Business Central and Dynamics 365 Business Central Team Members subscriptions.

Microsoft Power Platform - Dynamics 365 applications are built on the Microsoft Power platform, a high-productivity platform that includes the ability for customers to integrate products:

- **PowerApps:** Extend and customize applications
- **Microsoft Flow:** Automate business processes and workflow
- **Power BI:** Deliver business intelligence

The license included is PowerApps for Dynamics 365 which includes everything in PowerApps Plan 2, which allows Business Central Premium and Essentials users to create, modify and use mobile apps based on Dynamics 365 data.

Customer who wish to use the PowerApps functionality as on a standalone basis for use with other products can purchase a PowerApps Plan 1 or PowerApps Plan 2. Please visit <https://powerapps.microsoft.com> and <https://flow.microsoft.com> for more details on PowerApps and Flow.

Microsoft Power BI in Dynamics 365

Dynamics 365 Business Central users are not provided with any standalone or general-purpose Power BI license or use rights. Customers who require Power BI Pro will need to license and pay for it separately.

Dynamics 365 Business Central application subscriptions include an option to embed Power BI content as a product feature but require users to subscribe to Power BI (free user or Power BI Pro depending on content) separately to configure access to this content. More details are available in [this article](#).

Cortana Intelligence

Customers who wish to expand beyond the default subscription capacity included in Dynamics 365 Business Central will need to have a separate Azure subscription.

Support

The Microsoft Cloud Solution Provider program enables partners to manage their customer's success. Support for Dynamics 365 Business Central is solely through the Microsoft Cloud Solution Provider partners.

Additional Resources

Microsoft Dynamics Blog	https://community.dynamics.com/b/msftdynamicsblog
CustomerSource	https://mbs.microsoft.com/customersource/
Microsoft Downloads Center	http://www.microsoft.com/downloads
Cloud Solution Provider Program (MPN)	https://mspartner.microsoft.com/en/us/Pages/solutions/cloud-reseller-overview.aspx

Appendix A: Essentials Functionality

Financial Management		
Basic General Ledger	Budgets	Fixed Assets
Account Schedules	Cash Flow Forecast	Multiple Currencies
Allocations	Check Writing	Payment Handling
Bank Account Management	Consolidation	Responsibility Centers
Bank Reconciliation	Deferrals	Unlimited Dimensions
Basic XBRL	Electronic Payment/Direct Debits	
Advanced Financial Management		
Cost Accounting	Inter-company Postings	
Artificial Intelligence*		
Cash Flow Forecast	Inventory Forecast	Sales Forecast
Image Recognition	Late Payment Prediction	
Customer Relationship Management		
Business Inbox for Outlook	Contact Management	Opportunity Management
Campaign Management	Dynamics 365 Sales Integration ^	Relationship Management
Campaign Pricing	Email Logging	Task Management
Contact Classification	Interaction / Document Management	
E-Services		
Document Exchange Service	Bank Feeds (US, CA, UK)	Online Map
Document Management, Document Capture	Microsoft Pay (credit cards and PayPal)	Tax. Reg. No. Validation Service (EU)
Human Resources Management		
Basic Human Resources		
Project Management		
Basic Resources	Job Quotes	Project Management Jobs
Capacity Management	Multiple Costs	Time Sheet
Supply Chain Management		
Alternative Order Addresses	Item Charges	Demand Forecasting
Alternative Ship-To Addresses	Item Cross References	Sales Invoice Discounts
Alternative Vendors	Item Substitutions	Sales Invoicing
Assembly Management	Item Tracking	Sales Line Discounting
Basic Inventory	Location Transfers	Sales Line Pricing
Basic Payables	Multiple Locations	Sales Order Management
Basic Receivables	Order Promising	Sales Return Order Management
Calendars	Purchase Invoicing	Sales Tax/VAT~
Cycle Counting	Purchase Line Discounting	Shipping Agents
Drop Shipments	Purchase Line Pricing	Standard Cost Worksheet
Item Attributes	Purchase Order Management	Stock keeping Units
Item Budgets	Purchase Return Order Management	Vendor Catalogue Items
Item Categories	Requisition Management	
Warehouse Management and Inventory		
Automated Data Capture System	Pick	Warehouse Shipment
Bin Set-Up	Warehouse Management Systems	
Internal Picks and Put Aways	Warehouse Receipt	
Other		
Analysis Reports	Job Queue	User Tasks
Change Log	Notifications (on-premises only)	Word reporting/Document reporting
Embedded Power BI	Reason Codes	Workflow
Extended Text	Unlimited Companies	
Intrastat	User Management	

^ Requires Dynamics 365 license

~ Support for Sales Tax or VAT depending on country deployment

Appendix B: Premium Functionality

Service Order Management		
Service Order Management	Service Item Management	Planning and Dispatching
Service Price Management	Service Contract Management	
Manufacturing		
Production Orders	Machine Centers	Finite Loading
Production Bill of Materials	Basic Supply Planning	Sales and Inventory Forecasting
Version Management	Basic Capacity Planning	Agile Manufacturing

Appendix C: Change Log

Page	Topic	Type of Change	Action	Date
4	Team Members	Updated	Added 15 custom entities maximum statement	April 2019
6	Default Capacity	Corrected	Database Storage – 80GB File Storage - removed	April 2019
6	PowerApps	Clarified	PowerApps section	April 2019
8 & 9	Essentials	Updated	Demand Forecasting was moved from Premium functionality to Essentials	April 2019
3	Use Rights	Added	Dual Use Rights are now available	October 2018
3	Availability	Updated	Added link to Availability Deck	October 2018
1	Branding	Correction	Microsoft Dynamics 356 365 Business Central	July 2018
8	Appendix A	Correction	Reference Human Management, Project Management, Other	April 2018
Various	Essentials	Correction	Essential changed to Essentials	April 2018

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