



Incentives and Rebates Guide

Covering a wide range of business objectives, Microsoft's incentive offerings provide critical resources to help your Microsoft business grow and succeed. Enrolling in the right program not only lets you reap the rewards of your company's achievements, but also supports your potential expansion into new markets and business models.

Legacy CSP Indirect Reseller program

The Microsoft legacy CSP Indirect Reseller incentive program rewards those indirect resellers for their activation and enablement of a resale channel and the sale of Microsoft-based online services through legacy CSP.

For product eligibility on the CSP Indirect Reseller program, please see the attached [CSP product addendum](#).

Program term: 1 October 2023 – 30 September 2024 ¹	Rate	Earning split
Core Incentive – Modern Work and Security	3.75%	60% rebate 40% co-op \$10,000 USD ⁴ per semester threshold to qualify for co-op usage will apply
Core Incentive – Business Applications	4.75%	
Global Strategic Product Accelerator – Tier 1 (Business Premium, M365 E3)	Innovate and balance markets ² : 5% Scale market ³ : 6%	
Global Strategic Product Accelerator – Tier 2 (Microsoft 365 E5)	7%	
Global Calling and Conference PSTN Accelerator	20%	

¹Reminder: Legacy CSP offers without a new commerce equivalent and/or migration path will remain eligible for legacy CSP incentives until the offer is retired or available in new commerce. Legacy incentives are now earned through Microsoft Commerce Incentives (MCI).

²Innovate and balance markets: Australia, New Zealand, Canada, France, Germany, United Kingdom, United States, Western Europe, Central Europe, Eastern Europe, Middle East, and Africa

³Scale markets: Asia Pacific, Greater China, India, Japan, Korea, Latin America

⁴Foreign exchange conversion rate: Microsoft’s monthly foreign exchange rate is the mid-rate published by Thomson Reuters (typically) two days prior to the preceding month-end at 4:00 pm GMT. For example, Microsoft’s January exchange rate would be the Thomson Reuters mid-rate published on or around 31 December of the prior year. Incentives are calculated based on invoiced revenue and paid via rebate or fee using the foreign exchange rate of the applicable month that the partner or end customer is invoiced. For example, if an incentive is calculated based on revenue that is invoiced in February, it will be calculated using the exchange rate for February invoices, which is the reported rate at the end of January (per above definition).

What is the Microsoft Commerce Incentives (MCI) program?

Microsoft Commerce Incentives are designed to reward CSPs who make a direct impact in delivering value-added services and drive customer adoption and consumption. Partners must enrol for the following incentive programs in the Partner Centre before they can begin earning.

Program term: 1 October 2023 – 30 September 2024	Rate	Earning split
Core – Azure Consumption Incentive	4%	60% rebate 40% co-op \$10,000 USD per semester threshold to qualify for co-op usage will apply
Core – Modern Work & Security	3.75%	
Core – Business Applications	4.75%	
Customer Add Accelerator – Modern Work & Security	15%	
Customer Add Accelerator – Business Applications	20%	
Global Strategic Product Accelerator – Tier 1 (Business Premium, M365 E3)	Innovate and balance markets ² : 5%	
	Scale markets ³ : 6%	
Global Strategic Product Accelerator – Tier 2 (Business Central & Sales Enterprise) (M365 E5)	10% 7%	
Global Calling and Conference PSTN Accelerator	20%	
Azure Workload Accelerator CSP	2%	
Azure Reservation	10%	

For product eligibility on Microsoft New Commerce Incentives (MCI) please see attached [CSP Incentive Product Addendum](#).

How do you participate and earn in an incentive program?

Step 1: Have an active Microsoft AI Cloud Partner Program Agreement.

Step 2: Complete the Partner Incentive enrolment process in the Partner Centre.

Each incentive program has its own detailed program guide.

Step 3: Set up bank and tax information in the profile in the Partner Centre.

Step 4: Earn a Solutions Area Designation or maintain a legacy competency.

1 October 2023 and beyond:

Each Solutions Area incentive will have unique eligibility requirements. You must attain one of the Solutions Partner Designations or one of the legacy competencies and purchase a benefits package for the specific incentive.

Step 5: Meet revenue requirements:

The \$25,000 USD trailing twelve-month (TTM) revenue threshold must be met.

The \$25,000 USD TTM revenue threshold looks back 365 days (12 months) and will be assessed monthly. It includes transactions processed under the CSP Indirect Reseller and Microsoft Commerce Incentives (MCI) enrolled Partner Location ID. This also includes all other Partner IDs under the enrolled Partner ID within the same country.

Co-op

What is co-op?

Cooperative marketing funds (co-op) provide reimbursement of earned funds to participating partners to help differentiate and build channel awareness and preference for Microsoft products through various marketing activities.

Cooperative marketing funds (co-op earnings) will accrue across the new commerce CSP engagement and levers as one MCI co-op amount per enrolled Partner ID. Earnings must be at least \$25,000 USD to be eligible for co-op.

The accrued funds must meet the \$10,000 USD minimum threshold to be available for use. If the threshold is not met, the funds will be deposited as a rebate.

How is co-op calculated?

Co-op earnings will accrue across the CSP Indirect Reseller, Indirect Provider and Direct Bill Partner engagements as a 60% rebate and 40% co-op split under the Microsoft Commerce Incentive (MCI) Program.

MCI engagement	Lever name	Rate	Earning split
Azure CSP Motion Incentive	Azure consumption CSP motion	4%	60% rebate 40% co-op
Dynamics 365 new Commerce CSP	• Core Business Applications	4.75%	
	• Global Strategic Accelerator – Tier 2 • (Business Central & Sales Enterprise)	10%	
Dynamics 365 customer add new Commerce CSP	Business Applications Dynamics 365 customer add Accelerator	20%	
M365 New Commerce CSP	• Core – Modern Work & Security	3.75%	
	• Global Strategic Product Accelerator – Stufe 1 (Business Premium, M365 E3)	Innovate and balance markets*: 5% Scale markets*: 6%	
	• Global Calling and Conference PSTN Accelerator	20%	
M365 Customer Add New Commerce CSP	Customer Add – Modern Work & Security	15%	

How is co-op earned and accrued?

Funds are earned and accrued each semester to be used over the following six-month period on eligible marketing activities, which are outlined in the [FY24 Co-Op Guidebook](#).

Earning/accrual period	Usage period	Claim period deadline
FY24 H1: Jul 2023 – Dec 2023	Jan 2024 – Jun 2024	15 Aug 2024
FY24 H2: Jan 2024 – Jun 2024	Jul 2024 – Dec 2024	15 Feb 2025
FY25 H1: Jul 2024 – Dec 2024	Jan 2025 – Jun 2025	15 Aug 2025

At the close of the six-month earning period and once partners have met the \$10,000 USD threshold, Microsoft will deposit the funds into the Partner Centre for the use in the next semester.

Earning example

Payment breakdown
for a partner with
\$125,000 USD per month
in M365 billings.

$\$125,000 \text{ USD} \times 4\%$ (Azure consumption CSP motion) = \$5,000 USD total earnings

$\$5,000 \text{ USD} \times 60\%$ = \$3,000 USD rebate

$\$5,000 \text{ USD} \times 40\%$ = \$2,000 USD co-op

$\$2,000 \text{ USD (co-op)} \times 6 \text{ months}$ = \$12,000 USD (\$10,000 USD threshold met)

\$12,000 USD will be placed into the Partner Centre co-op claims tool to be used for the following half-year.

Resources

For more information on Microsoft FY24 incentives and co-op funds please see the resource links below.

Addendum:

- [Microsoft Partner Incentives resources](#)
- [Microsoft Commerce Incentives resources](#)
- [Microsoft Co-op Funds resources](#)