Microsoft Dynamics 365 Business Central Licensing

If you are purchasing Business Central (BC) for the first time, planning renewals, or scaling operations, you must know what each BC license covers.

With Aegis Softtech as your CSP (cloud solution provider), you get clarity and access to:

- The right Microsoft licenses that are aligned with your business needs
- Modules, pricing, user roles, storage, renewals, and updates
- Local currency billing for easy financial management
- Continuous technical support and expert guidance
- Added services like migration, integration, and customization bundled with licenses

Essential Insights On Business Central Licensing

Business Central License Types

License Type	Included Capability	Best For
Trial License	**30-day free trial**, up to 25 users, includes full Premium functionality. Must convert to a paid subscription after the trial through a **CSP partner**, or the access will end.	Organizations evaluating Business Central before committing
Essentials	**Core ERP modules:** Finance, Sales, Purchasing, Inventory, Warehouse Management, Project Management	Licensed per user. Broad operational coverage.
Premium	All Essentials features + Manufacturing and Service Management	Per user. For service & manufacturing industries.
Team Member	**Light-access use:** Read data, run reports, approve workflows, update limited personal data (e.g., timesheets)	Employees who only need occasional/limited interaction with the system, and it is cost-effective

Device License	Shared-device access (e.g., warehouse terminals) with concurrent user capabilities	Licensed per device.
External Accountant	Up to three external accountant users per tenant at no cost	External CPAs or accounting firms collaborating on financial data. Supports third-party accountants.
Microsoft 365 (Read-only)*	View Business Central data within Microsoft Teams only	Included if the organization has at least one BC license.

Important Licensing Behavior:

You cannot mix Essentials and Premium users in the same environment.

BC Licensing with Microsoft 365 *(Read-Only in Teams)

If your business already uses Microsoft 365, your team gets additional benefits at no extra cost.

Feature	What It Means
Access Mode	Use directly in the Teams app (not via web, mobile, or APIs).
Permissions	Read-only access, no create/modify/delete.
Apps & Extensions	View all standard apps, customizations, and extensions.
Teams Functions	View cards, details, and lists with basic search/sort.
Who Qualifies	Users with M365 Business, Office 365 (E1–E5), F1/F3, Teams Essentials/EEA, and Nonprofit plans.
Requirements	Business Central SaaS + assigned M365 license + Teams app.

Business Central – Module-Wise Licensing

Module / Area	License Required	Key Features included
Finance	Essentials	General ledger, accounts payable/receivable, cash flow, fixed assets, deferrals, bank reconciliation, budgets, cost accounting
Sales & Marketing	Essentials	Quote-to-cash, CRM basics, contacts, campaigns, sales orders, invoicing, pricing, discounts
Purchasing	Essentials	Vendors, purchase orders, returns, approvals, payables mgmt.
Inventory & Warehouse management	Essentials	Stock, locations, item tracking, cycle counting, bins, transfer orders, demand forecasting
Project Management	Essentials	Jobs, resources, capacity management, timesheets, job costing
Human Resources	Essentials	Employee records, absence management
Manufacturing	Premium	Production orders, BOMs, routings, capacity, demand planning, MRP, finite scheduling
Service Management	Premium	Service orders, service contracts, planning, dispatch, service pricing
Light / Occasional Use	Team Member	Read data, run reports, approve workflows, update limited personal data (e.g., timesheets, expenses)
Shared Device Access	Device License	Multiple users access BC on shared devices (e.g., warehouse scanners, terminals)

| External Accountant | Free (up to 3) | External auditors/accountants with full access to financials |
| Microsoft 365 (Read-only) | M365 License | View BC data inside Teams (no direct transactions) |

Environments & Database Storage Entitlements

Component	Included Allocation	Notes
Production Environments	1 per tenant	Each newly purchased production environment adds 3 more sandboxes and +4 GB storage
Sandbox Environments	3 per tenant	Included at no extra cost alongside the main environment
Base Database Storage	80 GB per tenant	Tenant-wide across all environments
Additional Storage – Essentials Users	+2 GB per user	Added to the 80 GB base storage
Additional Storage – Premium Users	+3 GB per user	Adds more capacity due to the extra module use
Additional Storage – Device Licenses	+1 GB per device license	Supports shared-device scenarios

Note: If your storage runs out, your current Business Central setup will keep working, but you won't be able to create or copy new environments until you add more capacity.

Contract Terms & Renewal Licensing

Aspect	Options / Rules	Notes

Subscription Model	Annual: Lower price, 12-month commitment – Monthly: nearly 20% higher, cancellable within 7 days	Annual = cost savings Monthly =flexibility
Cancellation Policy	Annual: Cannot cancel mid-term Monthly: Cancel within grace window (7 days)	Important for scaling up/down. Monthly- short grace period Annual-locked for term
Reassignment Rules	Licenses can be reassigned - Not within 90 days (except for employee absence, role change, or device replacement)	Prevents frequent "license swapping"
License Flexibility	Buy extra storage/environments before hitting the limits. Mix of Essentials, Premium, and Team Members allowed in the same tenant	Let's organize a licensing mix

Note: Start review 60-90 days before renewal and contact your CSP early to optimize mix, pricing, and conversion.

Business Central Licensing & Pricing

License Type	Access	Price (USD)	India Price/ month/user	Notes
Essentials	**Core ERP modules** : Finance, sales, purchasing, inventory, warehouse, project management, CRM light)	Approximate US $70	₹5,825 (+ GST)	Base option for most organizations

Premium	Includes all Essentials + Manufacturing + Service Management	Approximate US $100	₹8,320 (+ GST)	Higher-tier license; advanced scenarios
Team Member	Read, approve, run reports, and light self-service tasks	Approximate US$8	₹665 (+ GST)	For light or limited access users
Device License	Shared device access (e.g., warehouse kiosk, shop floor)	Varies by region (lower than Essentials/Premium)	City-specific, consult CSP partner	Suitable for shift-based or shared environments
External Accountant	Limited access for external auditors/accountants	Included	—	Up to 3 per tenant typically
Microsoft 365 (Read-only)	View-only access through a Microsoft 365 license	Included (if M365 license exists)	—	No write permissions
Additional Environments	Extra production/sandbox setups	$300 / tenant/month	Converted by CSP	Each adds 4 GB storage + 3 sandboxes
Storage Packs	Additional database capacity	$10 – $500 / month	Converted by CSP	Base 80 GB + per-license GB growth

Note: Prices vary slightly by region and over time. Confirm with your CSP partner for precise, current rates.

Business Central Licensing Summary

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Answers To Your Business Central Licensing Queries

What should I do before my license renewal?

Reach out to your CSP partner early, as there is a price update after October 2025. They can advise on renewals, pricing impacts, and possible optimizations before the new rates take effect.

How do I decide which license type each user needs?

Think about how each person works:

- Full users (Essentials or Premium) if they need full ERP access.
- Team Members for light use (approvals, reports, basic updates).
- Device licenses for shared terminals in POS or warehouse scenarios.

How can I prepare for storage and environment needs?

Review your current database capacity and environment usage. If you're growing, you may need add-on storage or extra environments. Your CSP can help you plan capacity before you hit limits.

Are there licensing rules I should watch out for?

Microsoft sets reassignment limits (usually not within 90 days) and environment rules (separating Essentials vs Premium companies). Understanding these helps avoid surprises when managing users or testing new setups.

How much storage comes with my Business Central licenses?

Every tenant starts with 80 GB of shared storage. Beyond that, additional storage is automatically added depending on the license type:

- Premium user: +3 GB each
- Essentials user: +2 GB each
- Device license: +1 GB each

What happens if my company goes over the storage limit?

Your Business Central environments will keep running normally (transactions won't stop). However, you won't be able to create or copy new environments until usage is reduced or extra capacity is purchased.

How many environments are included by default? Can I buy more?

Included per tenant: 1 Production + 3 Sandbox environments.

Add-ons: Each additional Production environment you buy also gives you:

3 more Sandboxes

+4 GB of extra storage capacity

Example: Buying 2 additional Production environments = 3 Production + 9 Sandbox total, with an extra 8 GB storage.

Can Essentials and Premium users work in the same company database?

Yes, but with limitations:

A Premium user can sign in to a company set to "Essentials mode," but Premium-only features won't work there.

Essentials users cannot sign in to a Premium-mode company.

The "Experience" setting is managed per company so that you can mix modes across different companies in one tenant.

What can Team Member licenses do?

Team Member users are for light use. They can:

- Read data
- Approve workflows
- Make limited updates (like timesheets or expense entries)
- Run reports

They're not meant for heavy daily operations like finance posting or complete inventory transactions. For the official scope, see Microsoft's licensing guide.

How do Device licenses work?

A Device license allows the device used by multiple users.

Any user can log in on that device without needing their own named license.

Scheduled background tasks can run from the device.

The very first sign-in must be done by a Full/External Accountant/Admin user to set things up.

Can non-Business Central users view BC data?

Yes, but only in read-only mode via Microsoft Teams (if you enable the integration).

How many External Accountant licenses are included?

You can assign up to 3 External Accountant licenses per tenant at no extra cost. This allows your outside accountant or audit firm to access Business Central data directly. You should still assign only the minimum permissions needed ("least privilege").

Can I reassign licenses between users?

Generally, licenses are tied to a user for at least 90 days. Reassignments before that are only allowed in exceptional cases, such as:

- An employee leaving or being absent
- A device being replaced or failing