

# FAQ: What You Need to Know About the AWS RI/SP Policy Changes

## 1. What was included in the recent AWS announcement about Reserved Instances and Savings Plans?

AWS has announced that, starting June 1, 2025, Managed Service Providers (MSPs) will no longer be allowed to share their pool of Reserved Instances (RI) and Savings Plans (SP) across multiple AWS organizations. This change aims to ensure that RI/SP are used as intended - for a single customer's steady-state AWS usage, **without reallocating reservations across separate customers, entities, or organizations ("routing")**.

## 2. Who does this policy change affect?

This policy primarily affects:

- **AWS MSPs** that currently use shared RI/SP pools to distribute discounts across multiple customers may encounter compliance challenges.
- **AWS customers** relying on MSPs for shared RI/SP discounts to optimize compute costs will need to re-evaluate their RI/SP strategy, as this current approach will no longer be allowed.

## 3. What should AWS customers be concerned about right now?

Customers relying on MSPs and their shared RI/SP pool should take immediate action because:

- Failure to prepare for the policy change could lead to increased On-Demand costs, greater operational complexity, and significant uncertainty in the near and not-so-near future.
- Shared RI/SP pools typically only offer around **25% savings** on EC2 On-Demand costs, compared to the **~60% savings** achievable with dedicated automation tools.

## 4. What is the best way to prepare for the upcoming policy change?

Customers should:

- Audit their RI/SP workflows to determine if they rely on an MSPs' shared pool of discounts.
- Consider alternative automated solutions that maximize savings, maintain workload scaling flexibility, and ensure full compliance with AWS's updated terms and conditions.

## 5. How can GlobalDots help me navigate this transition?

GlobalDots offers an innovative, automated solution that addresses the new AWS policy:

- **Automated RI/SP Management:** Our tools dynamically adjust RI/SP commitments in real-time to maximize usage and savings.
- **Flexible Compute Management:** Seamlessly scale instances up and down while keeping your RI/SP reservations aligned with your usage.
- **Multi-Service Coverage:** Apply these benefits across non-EC2 services like Lambda, Fargate, ElastiCache, OpenSearch, and Redshift.
- **Compliance Assurance:** Ensure your RI/SP usage fully aligns with AWS's updated terms, avoiding financial and operational risks.
- **Proven Savings:** Unlock up to 60% savings compared to shared RI/SP pools, with minimal manual effort.

## 6. Why choose GlobalDots' RI/SP Automation Solution?

GlobalDots outperforms traditional solutions by:

- Using real-time telemetry to optimize RI/SP utilization
- Delivering hands-off savings through full automation
- Supporting multiple AWS services beyond EC2 (RDS, ElastiCache, OpenSearch, Redshift, Lambda, Fargate)
- Ensuring full compliance with AWS Terms & Conditions.

## 7. What happens if I don't take action?

If you delay taking preparatory action:

- Your AWS costs could **rise significantly** due to the loss of RI/SP discounts.
- Non-compliant MSP practices may disrupt your cloud operations.
- Your team may face an overwhelming workload to realign RI/SP strategies while under pressure.

## 8. Will my MSP offer a grace period, and do I have time to assess my situation?

Yes, AWS has provided a transition period, with the new policy taking effect on June 1, 2025. This gives MSPs and their AWS customers time to evaluate their current RI/SP use, assess compliance requirements, and adjust strategies as needed. During this time, customers can work with their MSPs to ensure a smooth transition, or test more cost-efficient alternatives.

RI/SP purchased by MSPs and allocated to end customers before the policy's effective date can continue to be shared across multiple customers until they expire, as long as the MSP complies with the previous terms. However, this approach is being phased out, and will not be sustainable in the long term.

It's recommended to start the evaluation process now to avoid last-minute complications and ensure compliance well before of the deadline.