

BASE PROSPECTUS SUPPLEMENT

Morgan Stanley

*as guarantor
(incorporated under
the laws of the State of Delaware in the United States of America)*

MORGAN STANLEY B.V.
*as issuer
(incorporated with limited liability in The Netherlands)*

**Up to U.S.\$20,000,000,000
Program for the
Issuance of Certificates and Warrants**

Morgan Stanley B.V. (the "**Issuer**") has prepared this base prospectus supplement (the "**Base Prospectus Supplement**"), which constitutes a base prospectus supplement for the purposes of Article 16 of Directive 2003/71/EC (the "**Prospectus Directive**"), to supplement and be read in conjunction with the base prospectus dated 11 April 2008 (the "**Base Prospectus**") (and any documents incorporated by reference therein and any supplements thereto) and used in connection with the Program for the Issuance of Certificates and Warrants (the "**Certificates and Warrants Program**") under which the Issuer may offer from time to time certificates (the "**Certificates**") and warrants (the "**Warrants**" and, together with the Certificates, the "**Securities**").

This Base Prospectus Supplement has been approved by the Irish Financial Services Regulatory Authority (the "**Financial Regulator**"), as competent authority under the Prospectus Directive. The Financial Regulator only approves this Base Prospectus Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

Terms defined in the Base Prospectus shall have the same meaning when used in this Base Prospectus Supplement.

On 17 December 2008, Moody's Investors Services ("Moody's") lowered its counterparty credit rating for Morgan Stanley to "A2/P-1" from "A1/P-1" and announced that its outlook for MSI plc is negative.

On 19 December 2008, Standard & Poor's ("S&P") lowered its counterparty credit rating for Morgan Stanley to "A/A-1" from "A+/A-1+" and announced that its outlook for Morgan Stanley is negative.

Credit ratings are subject to change from time to time. Updated credit ratings may be viewed on Moody's public website www.moodys.com and on S&P's public website www.standardandpoors.com.

To the extent that there is any inconsistency between any statement in this Base Prospectus Supplement and any other statement in or incorporated by reference in the Base Prospectus or any previous Base Prospectus Supplement thereto, the statement in this Base Prospectus Supplement will prevail.

Save as disclosed in this Base Prospectus Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen since the publication of the Base Prospectus Supplement dated 24 October 2008.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus Supplement is available for viewing, and copies may be obtained from, the offices of the Issuer and the Paying Agents.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE SECURITIES MAY NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OF U.S. PERSONS (AS DEFINED IN EITHER REGULATION S UNDER THE SECURITIES ACT OR THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED).

None of the Issuer nor Morgan Stanley & Co. International plc nor Morgan Stanley & Co. Incorporated nor MSDW Equity Financing Services (Luxembourg) S.a.r.l., as agents for the Securities, has or will take any action in any country or jurisdiction that would permit a public offering of the Securities or possession or distribution of any offering material in relation to a public offering in any country or jurisdiction where action for that purpose is required. Each investor must comply with all applicable laws and regulations in each country or jurisdiction in or from which the investor purchases, offers, sells or delivers the Securities or has in the investor's possession or distributes this Base Prospectus Supplement, the Base Prospectus or any accompanying Final Terms.

Any websites alluded to in this Base Prospectus Supplement or any appendix thereto do not form part of the document.

MORGAN STANLEY

12 January 2009