

BASE PROSPECTUS SUPPLEMENT

Morgan Stanley

MORGAN STANLEY & CO. INTERNATIONAL plc

as issuer

(incorporated with limited liability in England and Wales)

This Base Prospectus Supplement (the "**Base Prospectus Supplement**") is a supplement for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Law dated 10 July 2005 on prospectuses for securities.

This Base Prospectus Supplement is supplemental to and must be read in conjunction with the base prospectus dated 30 January 2008 relating to the Certificate Programme (the "**Base Prospectus**"), as supplemented by the base prospectus supplements dated 12 June 2008, 31 July 2008 and 20 August 2008 prepared by Morgan Stanley & Co. International plc ("**MSI plc**") in connection with the Certificate Programme under which MSI plc may offer from time to time Certificates.

Application has been made to the Luxembourg Commission de Surveillance du Secteur Financier (the "**CSSF**"), as competent authority under Directive 2003/71/EC (the "**Prospectus Directive**"), for this Base Prospectus Supplement to be approved. This document constitutes a base prospectus supplement for the purposes of the Prospectus Directive. Terms defined in any of the Base Prospectus shall have the same meaning when used in this Base Prospectus Supplement.

On 22 September 2008, Morgan Stanley (the ultimate parent undertaking of MSI plc) filed a Form 8-K with the Securities and Exchange Commission, the text of which is set out in Appendix 1 to this Base Prospectus Supplement. Copies of such Form 8-K will be made available for inspection at the offices of the parties at whose offices documents are to be available for inspection as identified in "General Information" in the Base Prospectus dated 30 January 2008.

On 21 September 2008 Morgan Stanley announced that its application to the U.S. Federal Reserve Board of Governors to become a bank holding company was approved and that Morgan Stanley has elected to be deemed a financial holding company under the Bank Holding Company Act.

On 22 September 2008, Morgan Stanley announced that it had entered into a letter of intent to pursue a strategic alliance with Mitsubishi UFJ Financial Group, Inc.

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 statements 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 either of the Base Prospectus has arisen since the publication of the Base Prospectus Supplement dated 20 August 2008.

In accordance with Article 13 paragraph 2 of the Luxembourg Law of 10 July 2005 on the prospectuses for securities, investors who have already agreed to purchase or subscribe for securities to which the Base

Prospectus relates before this Base Prospectus Supplement is published have the right, exercisable within a time limit of two working days after the publication of this Base Prospectus Supplement, to withdraw their acceptances.

MSI plc accepts responsibility for the information contained in this document. To the best of the knowledge and belief of MSI plc (who has 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 MSI plc and the Paying Agents. This Base Prospectus Supplement will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

MORGAN STANLEY & CO. INTERNATIONAL plc

26 September 2008

Appendix 1

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest reported event): September 21, 2008

MORGAN STANLEY
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-11758
(Commission File Number)

36-3145972
(IRS Employer
Identification Number)

1585 Broadway, New York, New York 10036
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: (212) 761-4000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01. Other Events

On September 21, 2008, Morgan Stanley (the “Company”) issued a press release announcing that its application to become a bank holding company was approved by the U.S. Federal Reserve Board of Governors and that the Company has elected to be deemed a financial holding company under the Bank Holding Company Act. A copy of the press release is being filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference in its entirety.

On September 22, 2008, the Company issued a press release announcing that it had entered into a letter of intent to pursue a strategic alliance with Mitsubishi UFJ Financial Group, Inc. The letter of intent relates to an investment in the Company that would eventually reach 20 percent of its equity on a fully diluted basis. The investment would be based on the Company's book value as agreed upon completion of satisfactory due diligence. The letter of intent is nonbinding and subject to definitive documentation and due diligence. The closing of the transaction would be subject to regulatory approvals and other customary conditions. A copy of the press release is being filed as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated by reference in its entirety.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release of the Company dated September 21, 2008
99.2	Press release of the Company dated September 22, 2008

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MORGAN STANLEY

Date: September 22, 2008

By: /s/ Martin M. Cohen
Martin M. Cohen
Assistant Secretary and Counsel

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release of the Company dated September 21, 2008
99.2	Press release of the Company dated September 22, 2008

Contact: Media Relations
Jeanmarie McFadden
212 762 6901

For Immediate Release



Morgan Stanley Granted Federal Bank Holding Company Status By U.S. Federal Reserve Board of Governors

Provides Ongoing and Expanded Access to Federal Reserve Window and Other New Funding Opportunities

NEW YORK, September 21, 2008 – Morgan Stanley today announced that its application to become a bank holding company was approved by the U.S. Federal Reserve Board of Governors. Morgan Stanley has elected to be deemed a financial holding company under the Bank Holding Company Act.

Morgan Stanley sought this new status from the Federal Reserve to provide the Firm maximum flexibility and stability to pursue new business opportunities as the financial marketplace undergoes rapid and profound changes. The Firm will pursue initiatives to expand the retail banking services it offers its retail clients and build a stable base of core deposits. Morgan Stanley has more than 3 million retail accounts and had \$36 billion in bank deposits as of August 31, 2008.

The Firm's status as a Federal Bank Holding Company also provides Morgan Stanley ongoing access to the Federal Reserve Bank Discount Window and expanded opportunities for funding.

John J. Mack, Chairman and Chief Executive Officer, said, "This new bank holding structure will ensure that Morgan Stanley is in the strongest possible position – with the stability and flexibility to seize opportunities in the rapidly changing financial marketplace. It also offers the marketplace certainty about the strength of our financial position and our access to funding. As we evolve our business model and move quickly to seize these new opportunities, we remain intensely focused on continuing to provide world-class service and advice to our clients and deliver long-term value to our shareholders."

As part of this process, Morgan Stanley will convert its Utah industrial bank to a national bank and will become subject to supervision of the Federal Reserve. The Firm also will be regulated by the Federal Deposit Insurance Corporation (FDIC), which will continue to insure deposits at Morgan Stanley Bank to the maximum extent allowed by the FDIC.

The Firm does not expect significant adverse tax or accounting effects from this new status, nor does the Firm expect there to be limitations on its activities that would have a material impact on Morgan Stanley's overall business.

Morgan Stanley (NYSE: MS) is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 600 offices in 35 countries. For further information about Morgan Stanley, please visit www.morganstanley.com.

Contact Media

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For Immediate Release

Morgan Stanley

Morgan Stanley Announces Plan to Pursue Global Strategic Alliance with Mitsubishi UFJ Financial Group

NEW YORK, September 22, 2008 – Morgan Stanley today announced that it has entered into a letter of intent to pursue a strategic alliance with Mitsubishi UFJ Financial Group, Inc. (“MUFG”), Japan’s largest banking group and the world’s second largest bank holding company with \$1.1 trillion in bank deposits.

The letter of intent relates to an investment in Morgan Stanley that would eventually reach 20 percent of its equity on a fully diluted basis. The investment would be based on Morgan Stanley’s book value as agreed upon completion of satisfactory due diligence. Upon the closing, a representative of MUFG will join the Morgan Stanley board.

In addition to further strengthening the Firm’s capital position, this alliance would benefit Morgan Stanley and MUFG by providing each with a valuable strategic partner as it seeks to enhance its global footprint and capture financial services opportunities around the world. Morgan Stanley was granted approval yesterday by the U.S. Federal Reserve Board of Governors to become a Federal Bank Holding Company.

John J. Mack, Morgan Stanley’s Chairman and Chief Executive Officer, said, “This strategic alliance with Mitsubishi UFJ can put Morgan Stanley in an even stronger position as we look to realize the opportunities we see in the rapidly changing financial marketplace. As one of the largest commercial banks in the world, Mitsubishi UFJ would be a valuable partner as we transition to a bank holding company and build our bank services and deposit base. This alliance also would build on Morgan Stanley’s deep ties and market leadership in Japan and throughout Asia, and help us to continue growing our business in this critically important region. We would be honored to welcome a distinguished bank like Mitsubishi UFJ as a long-term investor and strategic partner of Morgan Stanley, and we would look forward to working closely with them to strengthen both of our businesses.”

The letter of intent is nonbinding and subject to definitive documentation and due diligence. The closing of the transaction would be subject to regulatory approvals and other customary conditions.

The Company's common stock to be sold in the proposed private placement transaction will not at the time of issuance be registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission or an applicable exemption from the registration requirements.

Morgan Stanley (NYSE: MS) is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 600 offices in 35 countries. For further information about Morgan Stanley, please visit www.morganstanley.com.

The information above contains forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made and which reflect management's current estimates, projections, expectations or beliefs and which are subject to risks and uncertainties that may cause actual results to differ materially. The Company's actual results or performance may differ materially from those suggested, expressed or implied by forward-looking statements due to a wide range of factors including, but not limited to, the general business environment, regulatory actions or changes, and the risk that the proposed private placement transaction is not successfully completed. For a discussion of additional risks and uncertainties that may affect the future results of the Company, please see "Forward-Looking Statements" immediately preceding Part I, Item 1, "Competition" and "Regulation" in Part I, Item 1, "Risk Factors" in Part I, Item 1A, "Legal Proceedings" in Part I, Item 3, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 and "Quantitative and Qualitative Disclosures about Market Risk" in Part II, Item 7A of the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 2007 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" in the Company's Quarterly Reports on Forms 10-Q and other items throughout the Form 10-K, Forms 10-Q and the Company's 2008 Current Reports on Form 8-K.

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