

BASE PROSPECTUS SUPPLEMENT

Morgan Stanley

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

MORGAN STANLEY (JERSEY) LIMITED
*as issuer
(incorporated with limited liability in Jersey, Channel Islands)*

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

**Program for the
Issuance of Notes, Series A and B**

Morgan Stanley ("**Morgan Stanley**"), Morgan Stanley (Jersey) Limited and Morgan Stanley B.V. (together the "**Issuers**") have 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 23 June 2008 prepared by the Issuers (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 Notes, Series A and B under which any of the Issuers may offer from time to time Series A Notes and Series B Notes (together, the "**Notes**").

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 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 the Base Prospectus has arisen since the publication of the Base Prospectus Supplement dated 24 October 2008.

Each Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuers (which have 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 Issuers and the Paying Agents.

THE NOTES 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 NOTES 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 REGULATIONS UNDER THE SECURITIES ACT OR THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED).

None of the Issuers nor Morgan Stanley & Co. International plc nor Morgan Stanley & Co. Incorporated, as agents for the Notes, has or will take any action in any country or jurisdiction that would permit a public offering of the Notes 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 Notes and/or 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