

**FIRST SUPPLEMENT TO THE REGISTRATION DOCUMENT**

# Morgan Stanley

**MORGAN STANLEY**

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

**MORGAN STANLEY & CO. INTERNATIONAL plc**

*(incorporated with limited liability in England and Wales)*

**MORGAN STANLEY B.V.**

*(incorporated with limited liability in The Netherlands)*

and

**MORGAN STANLEY FINANCE LLC**

*(formed under the laws of the State of Delaware in the United States of America)*

Morgan Stanley, Morgan Stanley & Co. International plc ("**MSI plc**"), Morgan Stanley B.V. ("**MSBV**") and Morgan Stanley Finance LLC ("**MSFL**") have prepared this first supplement to the registration document (the "**First Registration Document Supplement**") to supplement and be read in conjunction with the registration document dated 10 June 2016 (the "**Registration Document**") of Morgan Stanley, MSI plc, MSBV and MSFL.

## **Status of Supplement**

This First Registration Document Supplement has been approved by the Luxembourg Commission de Surveillance du Secteur Financier (the "**CSSF**") which is the Luxembourg competent authority for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and relevant implementing measures in Luxembourg as a registration document supplement prepared in compliance with Article 16.1 of the Prospectus Directive and relevant implementing measures in Luxembourg.

Unless otherwise defined in this First Registration Document Supplement, terms defined in the Registration Document shall have the same meaning when used in this First Registration Document Supplement. To the extent that there is any inconsistency between any statement in this First Registration Document Supplement and any other statement in, or incorporated by reference in, the Registration Document, the statements in this First Registration Document Supplement will prevail.

This First Registration Document Supplement constitutes a supplement to and should be read in conjunction with, the Registration Document.

## **Information being supplemented**

The purpose of this First Registration Document Supplement is to:

- (a) disclose the publication by Morgan Stanley of its Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2016 (the "**Morgan Stanley June 2016 10-Q**") and incorporate by reference certain sections of the Morgan Stanley June 10-Q as set out in "Part A" of this First Registration Document Supplement;
- (b) disclose the publication by MSI plc of its interim financial report for the six months ended 30 June 2016 (the "**MSI plc June 2016 Financial Report**") and incorporate by reference the MSI plc June 2016 Financial Report as set out in "Part A" of this First Registration Document Supplement;

- (c) disclose the publication by MSBV of its interim financial report for the six months ended 30 June 2016 (the "**MSBV June 2016 Financial Report**") and incorporate by reference the MSBV June 2016 Financial Report as set out in "Part A" of this First Registration Document Supplement;
- (d) disclose the publication by MSFL of its interim financial report for the six months ended 30 June 2016 (the "**MSFL June 2016 Financial Report**") and incorporate by reference the MSFL June 2016 Financial Report as set out in "Part A" of this First Registration Document Supplement; and
- (e) make certain consequential amendments to the Registration Document pursuant to the publication of the Morgan Stanley June 2016 10-Q, the MSI plc June 2016 Financial Statements, the MSBV June 2016 Financial Statements and the MSFL June 2016 Financial Statements as set out in "Part B" of this First Registration Document Supplement.

### **Responsibility**

Each of the Responsible Persons (as defined below) accepts responsibility for the information contained in the relevant document and confirms that, to the best of its knowledge, having taken all reasonable care to ensure that such is the case, the information contained in the relevant document is in accordance with the facts and does not omit anything likely to affect the import of such information.

"**Responsible Person**" means (i) Morgan Stanley with regard to the Morgan Stanley first registration document supplement (the "**Morgan Stanley First Registration Document Supplement**") which comprises the Morgan Stanley Registration Document and this First Registration Document Supplement with the exception of items 2, 3 and 4 of Part A hereto and items 9 to 16 of Part B hereto; (ii) MSI plc with regard to the MSI plc first registration document supplement (the "**MSI plc First Registration Document Supplement**") which comprises the MSI plc Registration Document and this First Registration Document Supplement with the exception of items 1, 3 and 4 of Part A hereto and items 1 to 8 and 13 to 16 of Part B hereto; (iii) MSBV with regard to the MSBV first registration document supplement (the "**MSBV First Registration Document Supplement**") which comprises the MSBV Registration Document and this First Registration Document Supplement with the exception of items 1, 2 and 4 of Part A hereto and items 1 to 12 and 15 and 16 of Part B hereto; and (iv) MSFL with regard to the MSFL first registration document supplement (the "**MSFL First Registration Document Supplement**") which comprises the MSFL Registration Document and this First Registration Document Supplement with the exception of items 1, 2 and 3 of Part A hereto and items 1 to 14 of Part B hereto.

### **General**

Save as disclosed in this First Registration Document Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Registration Document has arisen since the publication of the Registration Document.

Any information or documents incorporated by reference into the Morgan Stanley June 2016 10-Q, the MSI plc June 2016 Financial Report, the MSBV June 2016 Financial Report and the MSFL June 2016 Financial Report are not incorporated by reference into this First Registration Document Supplement as such information or documents are either not relevant for the investor in any securities issued by Morgan Stanley, MSI plc, MSBV or MSFL (as applicable) or are covered in the relevant securities note or summary which, together with the Morgan Stanley Registration Document, the MSI plc Registration Document, the MSBV Registration Document or the MSFL Registration Document (as applicable) comprise the relevant prospectus in respect of such securities.

This First Registration Document Supplement, the Morgan Stanley June 2016 10-Q, the MSI plc June 2016 Financial Report, the MSBV June 2016 Financial Report and the MSFL June 2016 Financial Report are available for viewing, and copies may be obtained from, in the case of the Morgan Stanley June 2016-10-Q, the offices of Morgan Stanley, in the case of the MSI plc June 2016 Financial Report, the offices of MSI plc, in the case of the MSBV June 2016 Financial Report, the offices of MSBV, in the case of the MSFL June 2016 Financial Report, the offices of MSFL and, in the case of the First Registration Document Supplement, the offices of each of Morgan Stanley, MSI plc, MSBV and MSFL.

The Morgan Stanley June 2016 10-Q is also available on Morgan Stanley's website at [www.morganstanley.com/about-us-ir](http://www.morganstanley.com/about-us-ir) and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

This First Registration Document Supplement, the MSI plc June 2016 Financial Report, the MSBV June 2016 Financial Report and the MSFL June 2016 Financial Report are also available on Morgan Stanley's website at [www.morganstanleyiq.eu](http://www.morganstanleyiq.eu) and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

19 October 2016

**MORGAN STANLEY**  
**MORGAN STANLEY & CO. INTERNATIONAL PLC**  
**MORGAN STANLEY B.V.**  
**MORGAN STANLEY FINANCE LLC**

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**PART A**  
**INCORPORATION BY REFERENCE: MORGAN STANLEY JUNE 2016 10-Q, MSI PLC JUNE 2016 FINANCIAL REPORT, MSBV JUNE 2016 FINANCIAL REPORT AND MSFL JUNE 2016 FINANCIAL REPORT**

This First Registration Document Supplement incorporates by reference those sections of the documents identified in the cross-reference table below and supplements and must be read in conjunction with the section entitled "Information Incorporated by Reference" contained on pages 15-21 of the Registration Document.

The Morgan Stanley June 2016 10-Q is available on Morgan Stanley's website at [www.morganstanley.com/about-us-ir](http://www.morganstanley.com/about-us-ir) and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

This First Registration Document Supplement, the MSI plc June 2016 Financial Report, the MSBV June 2016 Financial Report and the MSFL June 2016 Financial Report are available on Morgan Stanley's website at [www.morganstanleyiq.eu](http://www.morganstanleyiq.eu) and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

The following documents and/or information shall be deemed to be incorporated by reference in, and form a part of, the Registration Document:

<b>Document filed</b>	<b>Information incorporated by reference</b>	<b>Page</b>
<b>Morgan Stanley</b>		
1. Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2016	(1) Consolidated Statements of Income (Unaudited)	1
	(2) Consolidated Statements of Comprehensive Income (Unaudited)	2
	(3) Consolidated Balance Sheets (Unaudited)	3
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### **Morgan Stanley & Co. International plc**

2.	Interim Financial Report for the six months ended 30 June 2016 (unaudited)	(1)	Interim Management Report	1-11
		(2)	Directors' Responsibility Statement	12
		(3)	Independent Review Report to Morgan Stanley & Co. International plc	13
		(4)	Condensed Consolidated Income Statement	14
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### **Morgan Stanley B.V.**

3.	Interim Financial Report for the six months ended 30 June 2016 (unaudited)	(1)	Interim Management Report	1-5
		(2)	Directors' Responsibility Statement	6
		(3)	Condensed Statement of Comprehensive Income	7
		(4)	Condensed Statement of Changes in Equity	8
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### **Morgan Stanley Finance LLC**

4.	Interim Financial Report for the six months ended 30 June 2016 (unaudited)	(1)	Statement of Financial Condition (Unaudited)	3
		(2)	Statement of Comprehensive Income (Unaudited)	4
		(3)	Statement of Cash Flows (Unaudited)	5
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		(5)	Notes to the Financial Statements (Unaudited)	7-18

This First Registration Document Supplement expressly does not incorporate by reference the documents and/or information identified in the cross-reference table below.

<b>Document filed</b>		<b>Information not incorporated by reference</b>	<b>Page</b>
<b>Morgan Stanley</b>			
Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2016	(a)	Exhibits	129
	(b)	Exhibit Index	E-1

**PART B**  
**CONSEQUENTIAL AMENDMENTS TO THE REGISTRATION DOCUMENT**

The Registration Document is hereby amended as follows:

1. On page 24 of the Registration Document, the first paragraph of the section entitled "Activities Restrictions under the Volcker Rule" shall be deleted in its entirety and shall be replaced with the following:

*The Volcker Rule prohibits "banking entities", including Morgan Stanley and its affiliates, from engaging in certain "proprietary trading" activities, as defined in the Volcker Rule, subject to exemptions for underwriting, market-making-related activities, risk-mitigating hedging and certain other activities. The Volcker Rule also prohibits certain investments and relationships by banking entities, such as Morgan Stanley, with "covered funds", with a number of exemptions and exclusions. Banking entities were required to bring all of their activities and investments into conformance with the Volcker Rule, subject to certain exemptions and exclusions.*

*With respect to covered funds, the Federal Reserve has extended the conformance period until 21 July 2017 for investments in, and relationships with, such covered funds as were in place before 31 December 2013, referred to as "legacy covered funds". On 7 July 2016, the Federal Reserve stated that it will continue to consider whether to take action regarding the additional extended five-year transition period for certain legacy covered funds that are also illiquid funds and that it expects to provide more information in the near term as to how it will address applications by banking entities seeking the statutory extension for this limited category of legacy covered funds. Morgan Stanley currently has investments in, and relationships with, legacy covered funds that are illiquid. Morgan Stanley expects to be able to divest or conform many of its legacy covered fund investments and relationships by July 2017, but, for certain illiquid funds, Morgan Stanley expects to request further conformance extensions.*

*In addition, the Volcker Rule requires banking entities to have comprehensive compliance programmes reasonably designed to ensure and monitor compliance with the Volcker Rule.*

2. On page 32 of the Registration Document, the section entitled "U.K. Referendum" shall be deleted in its entirety and replaced with the following:

*U.K. Referendum*

*On 23 June 2016, the U.K. electorate voted to leave the E.U. It is difficult to predict the future of the U.K.'s relationship with the E.U., which uncertainty may increase the volatility in the global financial markets in the short- and medium-term. There are several alternative models of relationship that the U.K. might seek to negotiate with the E.U., the timeframe for which is uncertain but could take two years or more. The regulatory framework applicable to financial institutions with significant operations in Europe, such as Morgan Stanley, is expected to evolve and specific and meaningful information regarding the long-term consequences of the vote is expected to become clearer over time. Morgan Stanley will continue to evaluate various courses of action in the context of the development of the U.K.'s withdrawal from the E.U. and the referendum's potential impact on its operations.*

3. On page 34 of the Registration Document, the following line item shall be added alphabetically to the table setting out the current directors of Morgan Stanley and their respective principal outside activities:

Dennis M. Nally	Director	Member of the American Institute of Certified Public Accountants and the New York State Society of CPAs. Member of the Advisory Board of Duke Kunshan University and The Carnegie Hall Society Board of Trustees. Vice Chairman and Board Member of the U.S. Council for International Business.
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4. On page 38 of the Registration Document, the list of current members of the Risk Committee of Morgan Stanley shall be deleted in its entirety and replaced with the following: "Donald T. Nicolaisen (Chairman), Alistair Darling, Nobuyuki Hirano, Jami Miscik".



10. On page 65 of the Registration Document, after the paragraph beginning "Beginning in December 2013", the following paragraphs shall be inserted as new paragraphs:

*On 1 April 2016, the California Attorney General's Office filed an action against certain Morgan Stanley Group affiliates in California state court styled California v. Morgan Stanley, et al., on behalf of California investors, including the California Public Employees' Retirement System and the California Teachers' Retirement System. The complaint alleges that the Morgan Stanley Group affiliates made misrepresentations and omissions regarding residential mortgage-backed securities and notes issued by the Cheyne SIV, and asserts violations of the California False Claims Act and other state laws and seeks treble damages, civil penalties, disgorgement, and injunctive relief. On 20 July 2016, the Morgan Stanley Group affiliates filed a demurrer.*

*On 11 July 2016, the MSI plc Group received an invitation to respond to a proposed claim ("Proposed Claim") by the public prosecutor for Court of Accounts for the Republic of Italy. The Proposed Claim relates to certain derivative transactions between the Republic of Italy and the MSI plc Group and another Morgan Stanley Group affiliate. The transactions were originally entered into between 1999 and 2005, and were terminated in December 2011 and January 2012. The Proposed Claim alleges, inter alia, that the MSI plc Group was acting as an agent of the Republic of Italy, that some or all of the derivative transactions were improper and that the termination of the transactions was also improper. The Proposed Claim indicates that, if a proceeding is initiated against the MSI plc Group, the public prosecutor would be asserting administrative claims against the MSI plc Group for €2.879 billion. The MSI plc Group does not agree with the Proposed Claim and intends to present its defences to the public prosecutor.*

11. On page 66 of the Registration Document, the paragraph entitled "Significant Change" shall be deleted in its entirety and shall be replaced with the following:

*There has been no significant change in the financial or trading position of the MSI plc Group since 30 June 2016 (the date of the latest interim unaudited financial statements of MSI plc).*

12. On page 67 of the Registration Document, the section entitled "Selected Financial Information of Morgan Stanley & Co. International plc" shall be deleted in its entirety and shall be replaced with the following:

*The following table sets out the selected consolidated financial information of the MSI plc Group in accordance with applicable law and International Financial Reporting Standards ("IFRS"), as adopted by the European Union. Such information is derived from the audited reports and accounts of MSI plc as at 31 December 2015 and the interim unaudited reports and accounts of MSI plc as at 30 June 2016.*

<b>Consolidated Statement of Financial Position</b>	<b>At 31 December 2014</b>	<b>At 31 December 2015</b>	<b>At 30 June 2016 (unaudited)</b>	
	(\$ in millions)			
Total assets.....	448,526	394,084	470,941	
Total liabilities and equity.....	448,526	394,084	470,941	

  

<b>Consolidated Income Statement</b>	<b>Three Months Ended</b>			
	<b>2014</b>	<b>2015</b>	<b>30 June 2015 (unaudited)</b>	<b>30 June 2016 (unaudited)</b>
	(\$ in millions)		(\$ in millions)	
Net gains on financial instruments classified as held for trading.....	2,775	3,508	2,258	1,911
Profit before tax.....	(677)	710	831	465
Profit for the year/period.....	(713)	401	548	293

13. On page 70 of the Registration Document, the paragraph entitled "Significant Change" shall be deleted in its entirety and shall be replaced with the following:

*There has been no significant change in the financial or trading position of the MSBV since 30 June 2016 (the date of the latest interim unaudited financial statements of MSBV).*

14. On page 71 of the Registration Document, the section entitled "Selected Financial Information of Morgan Stanley B.V." shall be deleted in its entirety and shall be replaced with the following:

*The profit after tax for the years ended 31 December 2015 and 31 December 2014 was EUR 7,620,000 and EUR 4,993,000 respectively and for the six months ended 30 June 2016 and 30 June 2015 was EUR 133,000 and EUR 1,952,000 respectively. The profit before tax for the financial year ended 31 December 2015 and 31 December 2014 was EUR 10,151,000 and EUR 6,658,000 respectively and for the six months ended 30 June 2016 and 30 June 2015 was EUR 169,000 and EUR 2,603,000.*

*The total assets of MSBV increased from EUR 8,081,802,000 on 31 December 2014 to EUR 8,770,208,000 on 31 December 2015 and from EUR 8,770,208,000 on 30 June 2015 to EUR 9,300,670,000 on 30 June 2016 with total liabilities increasing from EUR 8,051,732,000 on 31 December 2014 to EUR 8,732,518,000 on 31 December 2015 and from EUR 8,732,518,000 on 30 June 2015 to EUR 9,262,847,000 on 30 June 2016.*

*The financial information in respect of MSBV has been prepared in accordance with IFRS as adopted by the European Union for the years ended 31 December 2014 and 31 December 2015 and for the six months ended 30 June 2015 and 30 June 2016 and is derived from the audited reports and accounts of MSBV as at 31 December 2015 and the interim unaudited reports and accounts of MSBV as at 30 June 2016 respectively.*

15. On page 73 of the Registration Document, the paragraph entitled "Significant Change" shall be deleted in its entirety and shall be replaced with the following:

*There has been no significant change in the financial or trading position of the MSFL since 30 June 2016 (the date of the latest interim unaudited financial statements of MSFL).*

16. On page 74 of the Registration Document, the section entitled "Selected Financial Information of Morgan Stanley Finance LLC" shall be deleted in its entirety and shall be replaced with the following:

*The net income for the years ended 2014 and 2015 was USD 114,986,489 and USD 110,072,000 respectively and for the six months ended 30 June 2015 and 30 June 2016 was USD 55,905,222 and USD 10,920,000 respectively.*

*The total assets of MSFL increased from USD 6,797,385,100 at 31 December 2014 to USD 6,942,318,599 at 31 December 2015 and decreased from USD 6,871,618,064 at 30 June 2015 to USD 355,670,000 at 30 June 2016 with total liabilities increasing from USD 1,678,238,333 at 31 December 2014 to USD 1,713,099,832 at 31 December 2015 and decreasing from USD 1,696,566,075 at 30 June 2015 to USD 357,208,000 at 30 June 2016.*

*The financial information in respect of MSFL has been prepared in accordance with UK GAAP and is derived from the audited reports and accounts of MSFL as at 31 December 2015 and the interim unaudited reports and accounts of MSFL as at 30 June 2016 respectively.*