

BASE PROSPECTUS SUPPLEMENT FOR WARRANTS AND CERTIFICATES

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 Warrants and Certificates

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 supplementary prospectus for the purposes of 87G of the Financial Services and Markets Act 2000 ("**FSMA 2000**") and has been approved by the Financial Services Authority in its capacity as the competent authority in the United Kingdom as a prospectus supplement for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**"), to supplement and be read in conjunction with the base prospectus dated 19 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 (the "**Program**") under which any of the Issuers may offer from time to time warrants (the "**Warrants**") and certificates (the "**Certificates**", together with the Warrants, the "**Securities**").

Defined terms used 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 (who 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 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).

Investors should be aware of their rights under Section 87Q(4) of FSMA 2000.

None of the Issuers nor Morgan Stanley & Co. International plc nor Morgan Stanley & Co. Incorporated, 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.

MORGAN STANLEY

16 January 2009