

SECOND BASE PROSPECTUS SUPPLEMENT

MORGAN STANLEY B.V.

as Issuer

(incorporated with limited liability in The Netherlands)

Morgan Stanley

as Guarantor

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

Up to U.S.\$20,000,000,000

Program for the Issuance of Notes, Certificates and Warrants

Morgan Stanley B.V. (“**MSBV**” or the “**Issuer**”) and Morgan Stanley in its capacity as guarantor (the “**Guarantor**”) have prepared this second base prospectus supplement (the “**Second Base Prospectus Supplement**”) to supplement and be read in conjunction with the base prospectus dated 18 August 2017 (the “**Base Prospectus**”) as supplemented by the first base prospectus supplement dated 20 October 2017 (the “**First Base Prospectus Supplement**”) in relation to MSBV's programme for the issuance of notes, certificates and warrants.

This Second Base Prospectus Supplement has been approved by the Central Bank of Ireland, as competent authority under Directive 2003/71/EC, as amended (the “**Prospectus Directive**”). The Central Bank only approves this Second Base Prospectus Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

In addition, this Second Base Prospectus Supplement has been approved by the Irish Stock Exchange as supplementary listing particulars, pursuant to the listing and admission to trading rules of the Irish Stock Exchange, for the purpose of providing information with regard to the Issuer and the Guarantor for the purposes of admitting Securities to the Official List of the Irish Stock Exchange and trading on its Global Exchange Market. The Global Exchange Market is the exchange regulated market of the Irish Stock Exchange and is not a regulated market for the purposes of Directive 2004/39/EC.

Terms defined in the Base Prospectus (as supplemented by the First Base Prospectus Supplement) shall have the same meaning when used in this Second Base Prospectus Supplement. To the extent that there is any inconsistency between any statement in this Second Base Prospectus Supplement and any other statement in, or incorporated by reference in, the Base Prospectus (as supplemented by the First Base Prospectus Supplement), the statements in this Second Base Prospectus Supplement will prevail.

The purpose of this Second Base Prospectus Supplement is to:

- (a) disclose the publication by Morgan Stanley of its Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2017 (the “**Morgan Stanley September 2017 10-Q**”) and incorporate by reference, as set out in “Part A” of this Second Base Prospectus Supplement;
- (b) disclose the publication of the third supplement to the Registration Document of Morgan Stanley, Morgan Stanley & Co. International plc, MSBV and Morgan Stanley Finance LLC dated 28 November 2017 and approved by the CSSF (the “**Third Registration Document Supplement**”) and incorporate by reference, as set out in “Part A” of this Second Base Prospectus Supplement;
- (c) make certain consequential amendments to the Base Prospectus pursuant to the publication of the Morgan Stanley September 2017 10-Q and the Third Registration Document Supplement as set out in “Part B” of this Second Base Prospectus Supplement; and
- (d) in respect of further issuances only under the Base Prospectus, make amendments to the Risk Factors section of the Base Prospectus as set out in “Part C” of this Second Base Prospectus Supplement.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Second Base Prospectus Supplement. 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 Second Base Prospectus Supplement (including each document incorporated by reference herein) is in accordance with the facts and does not omit anything likely to affect the import of such information.

Save as disclosed in this Second Base Prospectus Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus (as supplemented by the First Base Prospectus Supplement) has arisen since the publication of the Base Prospectus (as supplemented by the First Base Prospectus Supplement).

Any information or documents incorporated by reference into the Morgan Stanley September 2017 10-Q or the Third Registration Document Supplement do not form part of this Second Base Prospectus Supplement and any information or documents which are not incorporated by reference are either not relevant for the investor or covered in another part of this Second Base Prospectus Supplement.

This Second Base Prospectus Supplement is available for viewing, and copies may be obtained from, the offices of the Issuer and the Paying Agents and is available on Morgan Stanley's website at <http://sp.morganstanley.com/EU/Documents>.

The Morgan Stanley September 2017 10-Q is available for viewing, and copies may be obtained from, the offices of Morgan Stanley and is available on Morgan Stanley's website at <http://www.morganstanley.com/about-us-ir/shareholder/10q0917/10q0917.pdf>.

The Third Registration Document Supplement is available for viewing, and copies may be obtained from, the offices of the Issuer and the Paying Agents and is available on Morgan Stanley's website at <http://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=ebe2fac-1b5a-4b90-b680-0b04ddf36>.

30 November 2017

MORGAN STANLEY B.V.

MORGAN STANLEY

PART A - INCORPORATION BY REFERENCE

This Second Base Prospectus Supplement, the Morgan Stanley September 2017 10-Q and the Third Registration Document Supplement supplements the section entitled “*Incorporation by Reference*” contained on pages 31-37 of the Base Prospectus.

The Morgan Stanley September 2017 10-Q is available on Morgan Stanley's website at <http://www.morganstanley.com/about-us-ir/shareholder/10q0917/10q0917.pdf>.

The Third Registration Document Supplement is available on Morgan Stanley's website at <http://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=ebef2fac-1b5a-4b90-b680-0b04ddfadf36>.

The information incorporated by reference must be read in conjunction with the cross-reference table below which supplements the table of information incorporated by reference in the section entitled “*Incorporation by Reference*” contained on pages 31-37 of the Base Prospectus.

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

Document filed	Information incorporated by reference	Page(s)
Morgan Stanley		
Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2017	(1) Management's Discussion and Analysis of Financial Condition and Results of Operations	1-31
	(2) Quantitative and Qualitative Disclosures about Market Risk	32-41
	(3) Controls and Procedures	42
	(4) Report of Independent Registered Public Accounting Firm	43
	(5) Consolidated Financial Statements and Notes	44-91
	(6) Consolidated Income Statements (Unaudited)	44
	(7) Consolidated Comprehensive Income Statements (Unaudited)	45
	(8) Consolidated Balance Sheets (Unaudited at September 30, 2017)	46
	(9) Consolidated Statements of Changes in Total Equity (Unaudited)	47
	(10) Consolidated Cash Flow Statements (Unaudited)	48
	(11) Notes to Consolidated Financial Statements (Unaudited)	49-91
	(12) Financial Data Supplement (Unaudited)	92-94
	(13) Legal Proceedings	95
	(14) Unregistered Sales of Equity Securities and Use of Proceeds	96

(15) Signatures S-1

Morgan Stanley

Third Registration Document Supplement of Morgan Stanley, Morgan Stanley & Co. International plc, Morgan Stanley B.V. and Morgan Stanley Finance LLC dated 28 November 2017 (1) Part B – Consequential Amendments to the Registration Document 3-4

This Second Base Prospectus Supplement expressly does not incorporate by reference the documents and/or information identified in the cross-reference table below:

Document incorporated by reference

Information not incorporated by reference

Morgan Stanley

Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2017

Exhibits
Exhibit Index

Third Registration Document Supplement of Morgan Stanley, Morgan Stanley & Co. International plc, Morgan Stanley B.V. and Morgan Stanley Finance LLC dated 28 November 2017

Part A

PART B – OTHER CONSEQUENTIAL AMENDMENTS TO THE BASE PROSPECTUS

The Base Prospectus is hereby amended as follows:

1. The selected key financial information relating to Morgan Stanley at Element B.19/B.12 of the summary in the Base Prospectus (set out on page 6 of the Base Prospectus) shall be replaced with the information below:

B.19/B.12	Selected historical key financial information:	<p>Selected key financial information relating to Morgan Stanley:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 10%; text-align: center;">31 December 2015</th> <th style="width: 10%; text-align: center;">31 December 2016</th> <th style="width: 15%; text-align: center;">At 30 September 2016 (unaudited)</th> <th style="width: 15%; text-align: center;">At 30 September 2017 (unaudited)</th> </tr> </thead> <tbody> <tr> <td>Consolidated Balance Sheets (U.S.\$ in millions)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><i>Total assets</i></td> <td style="text-align: right;">787,465</td> <td style="text-align: right;">814,949</td> <td style="text-align: right;">813,891</td> <td style="text-align: right;">853,693</td> </tr> <tr> <td><i>Total liabilities and equity</i></td> <td style="text-align: right;">787,465</td> <td style="text-align: right;">814,949</td> <td style="text-align: right;">813,891</td> <td style="text-align: right;">853,693</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 10%; text-align: center;">31 December 2015</th> <th style="width: 10%; text-align: center;">31 December 2016</th> <th style="width: 15%; text-align: center;">Nine months ended 30 September 2016 (unaudited)</th> <th style="width: 15%; text-align: center;">Nine months ended 30 September 2017 (unaudited)</th> </tr> </thead> <tbody> <tr> <td>Consolidated Income Statements (U.S.\$ in millions)</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><i>Net revenues</i></td> <td style="text-align: right;">35,155</td> <td style="text-align: right;">34,631</td> <td style="text-align: right;">25,610</td> <td style="text-align: right;">28,445</td> </tr> <tr> <td><i>Income from continuing operations before income taxes</i></td> <td style="text-align: right;">8,495</td> <td style="text-align: right;">8,848</td> <td style="text-align: right;">6,602</td> <td style="text-align: right;">7,932</td> </tr> <tr> <td><i>Net income</i></td> <td style="text-align: right;">6,279</td> <td style="text-align: right;">6,123</td> <td style="text-align: right;">4,443</td> <td style="text-align: right;">5,553</td> </tr> </tbody> </table> <p>There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2016, the date of the latest published annual audited financial statements of Morgan Stanley.</p> <p>There has been no significant change in the financial or trading position of Morgan Stanley since 30 September 2017, the date of the latest published interim (unaudited) financial statements of Morgan Stanley.</p>		31 December 2015	31 December 2016	At 30 September 2016 (unaudited)	At 30 September 2017 (unaudited)	Consolidated Balance Sheets (U.S.\$ in millions)					<i>Total assets</i>	787,465	814,949	813,891	853,693	<i>Total liabilities and equity</i>	787,465	814,949	813,891	853,693		31 December 2015	31 December 2016	Nine months ended 30 September 2016 (unaudited)	Nine months ended 30 September 2017 (unaudited)	Consolidated Income Statements (U.S.\$ in millions)					<i>Net revenues</i>	35,155	34,631	25,610	28,445	<i>Income from continuing operations before income taxes</i>	8,495	8,848	6,602	7,932	<i>Net income</i>	6,279	6,123	4,443	5,553
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2. On page 179 of the Base Prospectus, item (vii) shall be deemed to be deleted in its entirety and replaced by the following:

“(vii) *Morgan Stanley’s Proxy Statement dated 7 April 2017, Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2017, Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2017 and the Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2017;*”

3. The third subparagraph under the section entitled “*Morgan Stanley*” on page 180 of the Base Prospectus shall be deleted in its entirety and replaced by the following:

“*Save as disclosed in:*

- a) *the section entitled "Legal Proceedings" in Part I – Item 3 at pages 23-28 and in the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments,*

Guarantees and Contingencies" in "Notes to Consolidated Financial Statements" in Part II – Item 8 (Note 12) at pages 156-160 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2016 (the "Form 10-K");

- b) *the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Consolidated Financial Statements (Unaudited)" at pages 75-78 and the section entitled "Legal Proceedings" at page 91 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2017;*
- c) *the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Consolidated Financial Statements (Unaudited)" at pages 78-81 and the section entitled "Legal Proceedings" at pages 96-97 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2017;*
- d) *the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Consolidated Financial Statements (Unaudited)" at pages 77-80 and the section entitled "Legal Proceedings" at page 95 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2017; and*
- e) *the Registration Document dated 9 June 2017 (as supplemented by the First Registration Document Supplement dated 25 August 2017, the Second Registration Document Supplement dated 18 October 2017 and the Third Registration Document Supplement dated 28 November 2017),*

there are no, nor have there been, any governmental, legal or arbitration proceedings involving Morgan Stanley or MSBV (including any such proceedings which are pending or threatened of which Morgan Stanley or MSBV is aware) during the 12-month period before the date of this Base Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of Morgan Stanley, MSBV or the Morgan Stanley Group."

4. The third paragraph on page 181 of the Base Prospectus shall be deemed to be deleted in full and replaced by the following:

"There has been no significant change in the financial or trading position of Morgan Stanley since 30 September 2017, the date of the latest published interim unaudited financial statements of Morgan Stanley."

PART C – AMENDMENTS TO THE RISK FACTORS SECTION OF THE BASE PROSPECTUS

The section entitled “*Regulation and reform of “benchmarks”, including LIBOR, EURIBOR and other interest rate, equity, commodity, foreign exchange rate and other types of benchmarks*” as set out on pages 26-27 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced by the following:

“Reform of LIBOR and EURIBOR and Other Interest Rate Index and Equity, Commodity and Foreign Exchange Rate Index “Benchmarks”

The London Interbank Offered Rate (LIBOR), the Euro Interbank Offered Rate (EURIBOR) and other indices which are deemed “benchmarks” are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such “benchmarks” to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any securities linked to a “benchmark.”

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of “benchmarks” could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain “benchmarks,” trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the disappearance of certain “benchmarks”. The disappearance of a “benchmark” or changes in the manner of administration of a “benchmark” could have materially adverse consequences in relation to securities linked to such “benchmark”. Under certain of the Reference Rates described herein, the final alternative method sets the Rate of Interest for an Interest Period at the same rate as the immediately preceding Interest Period. Any such consequence could have a material adverse effect on the value of and return on any such securities.

Potential Replacement of LIBOR May Adversely Affect the Return on Any Securities Linked to LIBOR and their Secondary Market Prices

Central banks around the world, including the U.S. Federal Reserve, have commissioned working groups that include market participants (the “Alternative Rate Committees”) with the goal of finding suitable replacements for their currency’s LIBOR that are based on observable market transactions. The search for replacements accelerated after the Financial Stability Board reported that uncertainty surrounding the integrity of LIBOR represents a potentially serious systemic vulnerability and risk due to limited transactions in the underlying inter-bank lending market. In July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority (the “FCA”), which regulates LIBOR, called for an orderly transition over a 4-5 year period from LIBOR to the reference rates selected by the Alternative Rate Committees. The FCA’s announcement stated that it expects that it would not be in a position to sustain LIBOR through its influence or legal compulsion powers after the end of 2021. Any transition away from LIBOR, as well as the uncertainty surrounding the future of LIBOR and future regulatory and market developments, could have a materially adverse effect on the return on any securities linked to LIBOR and their secondary market prices. See also “Risk Factors—Reform of LIBOR and EURIBOR and Other Interest Rate Index and Equity, Commodity and Foreign Exchange Rate Index “Benchmarks”” above.”