

FIRST 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 & CO. INTERNATIONAL PLC

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

MORGAN STANLEY B.V.

*as issuer
(incorporated with limited liability in The Netherlands)*

MORGAN STANLEY FINANCE LLC

*as issuer
(formed under the law of the State of Delaware in the United States of America)*

REGULATION S PROGRAM FOR THE ISSUANCE OF NOTES, SERIES A AND SERIES B, WARRANTS AND CERTIFICATES

Morgan Stanley (“**Morgan Stanley**”), Morgan Stanley & Co. International plc (“**MSI plc**”), Morgan Stanley Finance LLC (“**MSFL**”) and Morgan Stanley B.V. (“**MSBV**”, together with Morgan Stanley, MSFL and MSI plc, the “**Issuers**”) and Morgan Stanley, in its capacity as guarantor (in such capacity, the “**Guarantor**”) have prepared this first base prospectus supplement (the “**First Base Prospectus Supplement**”) to supplement and be read in conjunction with the base prospectus dated 21 October 2016 (the “**Base Prospectus**”) of Morgan Stanley, MSI plc, MSFL and MSBV (each in its capacity as Issuer) and Morgan Stanley (in its capacity as Guarantor) relating to the Regulation S Program for the Issuance of Notes, Series A and Series B, Warrants and Certificates.

This First Base Prospectus Supplement has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and relevant implementing measures in Luxembourg, as a prospectus supplement issued in compliance with Article 16.1 of the Prospectus Directive and relevant implementing measures in Luxembourg.

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

The purpose of this First 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 2016 (the “**Morgan Stanley September 2016 10-Q**”) and incorporate by reference, as set out in “Part A” of this First Base Prospectus Supplement;
- (b) make certain consequential amendments to the summary in the Base Prospectus pursuant to the publication of the Morgan Stanley September 2016 10-Q as set out in “Part B” of this First Base Prospectus Supplement;

- (c) in respect of further issuances only under the Base Prospectus, make amendments to the selected financial information of Morgan Stanley in the Base Prospectus, as set out in 'Part C' of this First Base Prospectus Supplement; and
- (d) in respect of further issuances only under the Base Prospectus, make amendments to the General Information section in the Base Prospectus, as set out in "Part D" of this First Base Prospectus Supplement.

In accordance with Article 13 paragraph 2 of the Luxembourg Law on Prospectuses dated 10 June 2005, investors who have agreed to purchase or subscribe for, or have applied to purchase or subscribe for, any Notes prior to the publication of this First Base Prospectus Supplement shall have the right, exercisable within two Business Days following the date of publication of this First Base Prospectus Supplement, to withdraw their acceptances or applications by notice in writing to the relevant Issuer or Manager, as the case may be. The final date within which such right of withdrawal must be exercised is 24 November 2016.

Each of the Issuers and the Guarantor, as applicable, confirm the following:

Save as disclosed in this First 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.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this First Base Prospectus Supplement. To the best of the knowledge and belief of the Issuers and the Guarantor (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.

Any information or documents incorporated by reference into the Morgan Stanley September 2016 10-Q does not form part of this First 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 First Base Prospectus Supplement.

This First Base Prospectus Supplement and the Morgan Stanley September 2016 10-Q are available for viewing, and copies may be obtained from, the offices of the Issuers and the Paying Agents.

This First Base Prospectus Supplement is available on Morgan Stanley's website at www.morganstanleyiq.eu and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

The Morgan Stanley September 2016 10-Q is available on Morgan Stanley's website at www.morganstanley.com/about-us-ir and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

18 November 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 SEPTEMBER 2016 10-Q

This First Base Prospectus Supplement incorporates by reference the Morgan Stanley September 2016 10-Q and supplements the section entitled “*Incorporation by Reference*” contained on pages 122-130 of the Base Prospectus.

The Morgan Stanley September 2016 10-Q is available on Morgan Stanley's website at www.morganstanley.com/about-us-ir and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

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 122-130 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 2016	(1) Consolidated Statements of Income (unaudited)	1
	(2) Consolidated Statements of Comprehensive Income (unaudited)	2
	(3) Consolidated Balance Sheet (unaudited)	3
	(4) Consolidated Statements of Changes in Total Equity (unaudited)	4
	(5) Consolidated Statements of Cash Flows (unaudited)	5
	(6) Notes to Consolidated Financial Statements (unaudited)	6-54
	(7) Report of Independent Registered Public Accounting Firm	55
	(8) Management's Discussion and Analysis of Financial Condition and Results of Operations	56-86
	(9) Quantitative and Qualitative Disclosures about Market Risk	87-96
	(10) Controls and Procedures	97
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	(12) Legal Proceedings	101
	(13) Unregistered Sales of Equity Securities and Use of Proceeds	102
	(14) Signatures	103

This First Base Prospectus Supplement expressly does not incorporate by reference the documents and/or information identified in the cross-reference table below and supplements the section entitled “*Incorporation by Reference*” contained on pages 122-130 of the Base Prospectus.

Document incorporated by reference

Information not incorporated by reference

Morgan Stanley

Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2016

Exhibits
Exhibit Index

PART B

AMENDMENTS TO THE SUMMARY

Sub-Section I – Changes to Element B.12

The selected key financial information relating to Morgan Stanley at Element B.12 of the summary in the Base Prospectus (set out on page 4 of the Base Prospectus) shall be replaced with the information below:

B.12	Selected historical key financial information:	<p>[Selected key financial information relating to Morgan Stanley:</p> <table border="1"> <thead> <tr> <th>Consolidated Balance Sheets (U.S.\$ in millions)</th> <th>31 Dec 2014</th> <th>31 Dec 2015</th> <th>At 30 September 2015 (unaudited)</th> <th>At 30 September 2016 (unaudited)</th> </tr> </thead> <tbody> <tr> <td><i>Total assets</i></td> <td>801,510</td> <td>787,465</td> <td>834,113</td> <td>813,891</td> </tr> <tr> <td><i>Total liabilities and equity</i></td> <td>801,510</td> <td>787,465</td> <td>834,113</td> <td>813,891</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Consolidated Statements of Income (U.S.\$ in millions)</th> <th>31 Dec 2014</th> <th>31 Dec 2015</th> <th>Nine months ended 30 September 2015 (unaudited)</th> <th>Nine months ended 30 September 2016 (unaudited)</th> </tr> </thead> <tbody> <tr> <td><i>Net revenues</i></td> <td>34,275</td> <td>35,155</td> <td>27,417</td> <td>25,610</td> </tr> <tr> <td><i>Income from continuing operations before income taxes</i></td> <td>3,591</td> <td>8,495</td> <td>7,056</td> <td>6,602</td> </tr> <tr> <td><i>Net income</i></td> <td>3,667</td> <td>6,279</td> <td>5,343</td> <td>4,443</td> </tr> </tbody> </table> <p>There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2015, the date of the latest published annual audited financial statements of Morgan Stanley</p> <p>Not applicable. There has been no significant change in the financial or trading position of Morgan Stanley since 30 September 2016, the date of the latest published interim (unaudited) financial statements of Morgan Stanley.]</p>	Consolidated Balance Sheets (U.S.\$ in millions)	31 Dec 2014	31 Dec 2015	At 30 September 2015 (unaudited)	At 30 September 2016 (unaudited)	<i>Total assets</i>	801,510	787,465	834,113	813,891	<i>Total liabilities and equity</i>	801,510	787,465	834,113	813,891	Consolidated Statements of Income (U.S.\$ in millions)	31 Dec 2014	31 Dec 2015	Nine months ended 30 September 2015 (unaudited)	Nine months ended 30 September 2016 (unaudited)	<i>Net revenues</i>	34,275	35,155	27,417	25,610	<i>Income from continuing operations before income taxes</i>	3,591	8,495	7,056	6,602	<i>Net income</i>	3,667	6,279	5,343	4,443
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Sub-Section II – Changes to Element B.19 (B.12)

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 pages 8-9 of the Base Prospectus) shall be replaced with the information below:

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PART C

AMENDMENTS TO SELECTED FINANCIAL INFORMATION

The section titled “*Selected Financial Information of Morgan Stanley*” set out on page 108 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

“SELECTED FINANCIAL INFORMATION OF MORGAN STANLEY

This section contains selected financial information of Morgan Stanley relating to the years ended 31 December 2014 and 31 December 2015 and the nine months ended 30 September 2015 and 30 September 2016.

The information in respect of the years ended 31 December 2014 and 31 December 2015 set out below is derived from the audited financial statements included in Morgan Stanley’s Annual Report on Form 10-K for the year ended 31 December 2015.

The information in respect of the nine months ended 30 September 2015 and 30 September 2016 set out below is derived from the unaudited financial statements included in the Morgan Stanley Quarterly Report on Form 10-Q for the quarterly periods ended 30 September 2015 and 30 September 2016, respectively.

Consolidated Balance Sheets (U.S.\$ in millions)	31 Dec 2014	31 Dec 2015	At 30 September 2015 (unaudited)	At 30 September 2016 (unaudited)
<i>Total assets</i>	801,510	787,465	834,113	813,891
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<i>Net revenues</i>	34,275	35,155	27,417	25,610
<i>Income from continuing operations before income taxes</i>	3,591	8,495	7,056	6,602
<i>Net income</i>	3,667	6,279	5,343	4,443

”

PART D
AMENDMENTS TO GENERAL INFORMATION SECTION

1. Sub-paragraph (h) set out on page 810 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

“(h) Annual Report of Morgan Stanley on Form 10-K for the year ended 31 December 2015, Morgan Stanley Current Reports on Form 8-K dated 06 January 2016, 19 January 2016, 22 January 2016, 26 February 2016, 18 April 2016, 17 May 2016, 29 June 2016, 20 July 2016 and 26 July 2016, Morgan Stanley Proxy Statement dated 1 April 2016, Quarterly Report of Morgan Stanley on Form 10-Q for the quarterly period ended 31 March 2016, Quarterly Report of Morgan Stanley on Form 10-Q for the quarterly period ended 30 June 2016 and Quarterly Report of Morgan Stanley on Form 10-Q for the quarterly period ended 30 September 2016;”

2. The sub section titled “*Morgan Stanley*” within the section “*No material adverse change in the prospects and no significant change in the financial or trading position*” set out on page 812 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

“Morgan Stanley

There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2015, the date of the last published annual audited financial statements of Morgan Stanley.

There has been no significant change in the financial or trading position of Morgan Stanley since 30 September 2016, the date of the latest published interim (unaudited) financial statements of Morgan Stanley.”

3. The sub section titled “*Legal and arbitration proceedings*” set out on pages 812 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

“Legal and arbitration proceedings

Save as disclosed in:

- a) the section entitled "Legal Proceedings" in Part I - Item 3 at pages 24-32 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 at pages 202-205 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2015 (the "Form 10-K");*
- b) the section entitled "Legal Settlement" under the heading "24. Subsequent Events" in "Notes to the Consolidated Financial Statements" in Part II – Item 8 at page 250 of the Form 10-K;*
- c) the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Condensed Consolidated Financial Statements" in Part I – Item 1 at pages 47-50 and the section entitled "Legal Proceedings" in Part II – Item 1 at page 126 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2016;*
- d) the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Condensed Consolidated Financial Statements" in Part I – Item 1 at pages 50-53 and the section entitled “Legal Proceedings” in Part II – Item 1 at page 128 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2016;*
- e) the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Condensed Consolidated Financial Statements" in Part I – Item 1 at pages 39-43 and the section entitled “Legal Proceedings” in Part II – Item 1 at page 101 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2016; and*

- f) *the section entitled "Legal Proceedings and Contingencies" at Part 7 of the section entitled "Description of Morgan Stanley" at pages 39 to 53 of the Registration Document, the section entitled "Legal Proceedings" at Part 7 of the section entitled "Description of Morgan Stanley & Co. International plc" at pages 64 to 66 of the Registration Document, the section entitled "Legal Proceedings" at Part 7 of the section entitled "Description of Morgan Stanley B.V." at page 69 of the Registration Document and the section entitled "Legal Proceedings" at Part 7 of the section entitled "Description of Morgan Stanley Finance LLC" at page 73 of the Registration Document,*

there are no, nor have there been, any governmental, legal or arbitration proceedings involving Morgan Stanley, MSI plc, MSBV or MSFL (including any such proceedings which are pending or threatened of which Morgan Stanley, MSI plc, MSBV or MSFL 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, MSI plc, MSBV, MSFL or the Morgan Stanley Group."