THIS DOCUMENT IS A FREE NON BINDING TRANSLATION, FOR INFORMATION PURPOSES ONLY, OF THE FRENCH LANGUAGE *PREMIER SUPPLEMENT AU PROSPECTUS DE BASE* DATED 19 MAY 2016 WHICH RECEIVED VISA NO.16-184 FROM THE *AUTORITE DES MARCHES FINANCIERS* ON 19MAY 2016 (THE "*FIRST SUPPLEMENT*"), WHICH SUPPLEMENTS THE *PROSPECTUS DE BASE* DATED 12 JANUARY 2016 WHICH RECEIVED VISA NO.16-022 FROM THE *AUTORITE DES MARCHES FINANCIERS* ON 12 JANUARY 2016 , (THE "*PROSPECTUS DE BASE*"). ONLY THE *PROSPECTUS DE BASE* WAS GRANTED A VISA BY THE *AUTORITE DES MARCHES FINANCIERS*. IN THE EVENT OF ANY AMBIGUITY OR CONFLICT BETWEEN CORRESPONDING STATEMENTS OR OTHER ITEMS CONTAINED IN THE FIRST SUPPLEMENT AND THIS DOCUMENT, THE RELEVANT STATEMENTS OR ITEMS OF THE FIRST SUPPLEMENT SHALL PREVAIL. FOR THE AVOIDANCE OF DOUBT, REFERENCES IN THIS DOCUMENT TO THE "*BASE PROSPECTUS*" AND TO THE "FIRST SUPPLEMENT" ARE RESPECTIVELY TO THE "*PROSPECTUS DE BASE*" AND THE "*PREMIER SUPPLEMENT*" AND DO NOT INCLUDE THEIR ENGLISH TRANSLATION, HOWEVER FOR EASE OF REFERENCE THE PAGE NUMBERS SET OUT BELOW REFER TO THE PAGES IN THE ENGLISH TRANSLATION OF THE PROSPECTUS DE BASE.

FIRST SUPPLEMENT DATED 19 MAY 2016 TO THE BASE PROSPECTUS DATED 12 JANUARY 2016

Morgan Stanley

as issuer and guarantor of the Notes issued by Morgan Stanley B.V.
(incorporated under the laws of the State of Delaware in the United States of America)

MORGAN STANLEY & CO. INTERNATIONAL plc
as issuer and guarantor of the Notes issued by Morgan Stanley B.V. where the Notes are offered to the public in France
(incorporated with limited liability in England and Wales)

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

€2,000,000,000
FRENCH LAW PROGRAMME FOR THE ISSUANCE OF NOTES

This supplement (the "**First Supplement**") supplements and must be read in conjunction with the base prospectus dated 12 January 2016 (the "**Base Prospectus**") submitted to the *Autorité des marchés financiers* (the "**AMF**") and granted visa No. 16-022 on 12 January 2016, in connection with the Euro 2,000,000,000 Programme for the issuance of notes (the "**Programme**") of Morgan Stanley ("**Morgan Stanley**"), Morgan Stanley & Co. International plc ("**MSIP**") and Morgan Stanley B.V. ("**MSBV**" and, together with Morgan Stanley and MSIP, the "Issuers" and each, an "**Issuer**") with Morgan Stanley acting in its capacity as guarantor of the Notes issued by MSBV and MSIP acting in its capacity as guarantor in the case of public offers of Notes issued by MSBV in France only. Terms defined in the Base Prospectus have the same meaning when used in thisSupplement.

The Base Prospectus as amended by this First Supplement constitutes a base prospectus for the purposes of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010) (the "**Prospectus Directive**").

Application has been made to the AMF in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général*.

This First Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the *Règlement Général* of the AMF for the purposes of:

(a) incorporating by reference the annual report of Morgan Stanley on form 10-K for the year ending 31 December 2015 (the "**Morgan Stanley 2015 10-K**") as set out in "Part A" of this First Supplement;

(b) making certain consequential amendments to the summary and issue-specific summary in the Base Prospectus pursuant to the publication of the Morgan Stanley 2015 10-K as set out in "Part B" of this First Supplement;

(c) making certain consequential amendments to Risk Factors in the Base Prospectus, as set out in "Part C" of this First Supplement;

(d) making certain consequential amendments to description of Morgan Stanley in the Base Prospectus, as set out in "Part D" of this First Supplement; and

(e) in respect of further issuances only under the Base Prospectus, making amendments to the General Information section in the Base Prospectus, as set out in "Part E" of this First Supplement.

This First Supplement must be read and interpreted in conjunction with the Morgan Stanley 2015 10-K (in the English language), which has been previously filed with the AMF. The Morgan Stanley 2015 10-K is incorporated by reference into and shall be deemed to form part of this First Supplement.

A copy of this First Supplement shall be available on the websites (i) of the AMF (www.amf-france.org) and (ii) the Issuers (www.morganstanleyiq.eu) and copies will be available in physical or electronic form, during usual business hours on any weekday, for inspection at the principal executive offices of Morgan Stanley, the registered offices of MSIP and MSBV and at the specified offices of the Paying Agents.

The Morgan Stanley 2015 10-K incorporated by reference in this First Supplement to the Base Prospectus (i) is available on the website of the Guarantor (www.morganstanley.com) and (ii) may be obtained, without charge on request, during normal business days and hours, at the principal executive offices of Morgan Stanley and the registered offices of MSIP and MSBV and at the specified offices of the Paying Agents.

In accordance with Article 16.2 of the Prospectus Directive and Article 212-25 II of the *Règlement Général* of the AMF, investors who have agreed to purchase or subscribe for Notes before this First Supplement is published have the right, no later than 23 May 2016, to withdraw their acceptance.

Save as disclosed in this First Supplement, no new fact, mistake or inaccuracy has occurred or has been observed which is capable of affecting the assessment of the Notes since the publication of the Base Prospectus.

To the extent that there is any inconsistency between any statement in this First Supplement and any statement in or incorporated by reference into the Base Prospectus, the statements of this First Supplement shall prevail.

PART A

INCORPORATION BY REFERENCE: MORGAN STANLEY 2015 10-K

This First Supplement incorporates by reference the Morgan Stanley 2015 10-K and supplements the section entitled "*Documents incorporated by reference*" contained on pages 58 to 64 of the Base Prospectus.

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 "*Documents incorporated by reference*" of the Base Prospectus.

Table of information incorporated by reference

Document filed	Information incorporated by reference	Page
Morgan Stanley Annual Report on Form 10-K for the year ended 31 December 2015		
	Business	Pages 1-12
	Risk Factors	Pages 13-23
	Unresolved Staff Comments	Page 23
	Properties	Page 23
	Legal Proceedings	Pages 24-32
	Mine Safety Disclosures	Page 32
	Market for Registrant's Common Equity, Related Stockholder Matters, Issuer Purchases of Equity Securities and Stock Performance Graph	Pages 33-35
	Selected Financial Data	Pages 36-37
	Management's Discussion and Analysis of Financial Condition and Results of Operations	Pages 38-97
	Quantitative and Qualitative Disclosures about Market Risk	Pages 98-120
	Financial Statements and Supplementary Data	Pages 121-258
	Report of Independent Registered Public Accounting Firm	Page 121
	Consolidated Statements of Income	Page 122
	Consolidated Statements of Comprehensive Income	Page 123
	Consolidated Statements of Financial Condition	Page 124
	Consolidated Statements of Changes in Total Equity	Page 125

This First 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" on pages 58 to 64 of the Base Prospectus.

Document incorporated by reference	**Information not incorporated by reference**
Morgan Stanley	
Annual Report on Form 10-K for the year ended 31 December 2015	Exhibits

PART B

AMENDEMENTS TO THE SUMMARY AND THE ISSUE-SPECIFIC SUMMARY

Sub-Part I – Changes to Element B.12

The selected key financial information relating to Morgan Stanley at Element B.12 of the summary and the issue-specific summary in the Base Prospectus (set out on pages 11 and 309 of the Base Prospectus) shall be replaced with the information below:

<table>
<tr>
<td>B.12</td>
<td>Selected historical key financial information:</td>
<td>
Selected key financial information relating to Morgan Stanley:
<table>
<tr><td>Balance Sheet
($ in millions)</td><td>At 31 December 2014</td><td>At 31 December 2015</td></tr>
<tr><td>Total assets</td><td>801,510</td><td>787,465</td></tr>
<tr><td>Total liabilities and equity</td><td>801,510</td><td>787,465</td></tr>
</table>
<table>
<tr><td>Consolidated Income Statement
($ in millions)</td><td>2014</td><td>2015</td></tr>
<tr><td>Net revenues</td><td>34,275</td><td>35,155</td></tr>
<tr><td>Income from continuing operations before tax</td><td>3,591</td><td>8,495</td></tr>
<tr><td>Net income</td><td>3,667</td><td>6,279</td></tr>
</table>
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 accounts of Morgan Stanley
There has been no significant change in the financial or trading position of Morgan Stanley since 31 December 2015, the date of the latest published annual audited accounts of Morgan Stanley.
</td>
</tr>
</table>

Sub-Part II – Changes to Element B.4b

The trends information in relation to Morgan Stanley, MSI plc and MSBV at Element B.4b of the summary and the issue-specific summary in the Base Prospectus (set out on pages 10 and 308 of the Base Prospectus) shall be replaced with the information below:

B.4b	**Trends:**	The business of Morgan Stanley, the ultimate holding company of MSI plc / MSBV, in the past has been, and in the future may continue to be, materially affected by many factors, including: the effect of economic and political conditions and geopolitical events; sovereign risk; the effect of market conditions, particularly in the global equity, fixed income, currency, credit and commodities markets, including corporate and mortgage (commercial and residential) lending and commercial real estate markets and energy markets; the impact of current, pending and future legislation (including the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**")), regulation (including capital, leverage, funding and liquidity requirements), policies (including fiscal and monetary), and legal and regulatory actions in the United States of America ("**U.S.**") and worldwide; the level and volatility of equity, fixed income and commodity prices (including oil prices), interest rates, currency values and other market indices; the availability and cost of both credit and capital as well as the credit ratings assigned to Morgan Stanley's unsecured short-term and long-term debt; investor, consumer and business sentiment and confidence in the financial markets; the performance and results of Morgan Stanley's acquisitions, divestitures, joint ventures, strategic alliances or other strategic arrangements; Morgan Stanley's reputation and the general perception of the financial services industry; inflation, natural disasters, pandemics and acts of war or terrorism; the actions and initiatives of current and potential competitors as well as governments, regulators and self-regulatory organizations; the effectiveness of Morgan Stanley's risk management policies; technological changes instituted by Morgan Stanley, its competitors or counterparties and technological risks, including cybersecurity, business continuity and related operational risks; Morgan Stanley's ability to provide innovative products and services and execute its strategic objectives; or a combination of these or other factors. In addition, legislative, legal and regulatory developments related to Morgan Stanley's businesses are likely to increase costs, thereby affecting results of operations.

Sub-Part III – Changes to Element B.10

The audit report qualifications information in relation to Morgan Stanley, MSI plc and MSBV at Element B.10 of the summary and the issue-specific summary in the Base Prospectus (set out on pages 11 and 309 of the Base Prospectus) shall be replaced with the information below:

B.10	**Audit report qualifications:**	Not Applicable. There are no qualifications in the auditor's reports on the financial statements of MSI plc and MSBV for the years ended 31 December 2013 and 31 December 2014. There are no qualifications in the financial statements of MSI plc and MSBV for the periods ended 30 June 2015. 31 December 2013 and 31 December 2014. There are no qualifications in the auditor's reports on the financial statements of Morgan Stanley for the years ended 31 December 2014 and 31 December 2015. There are no qualifications in the financial statements of Morgan Stanley for the periods ended 31 March 2015, 30 June 2015 and 30 September 2015.

Sub-Part IV – Changes to Element D.2

The key risks specific to the Issuer and Guarantor information in relation to Morgan Stanley, MSI plc and MSBV at Element D.2 of the summary and the issue-specific summary in the Base Prospectus (set out on pages 20-21 and 342-344 of the Base Prospectus) shall be replaced with the information below:

D.2	**Key Risks Specific to the Issuer and the Guarantor:**	The following key risks affect Morgan Stanley and, since Morgan Stanley is the ultimate holding company of MSI plc and MSBV, also impact MSI plc and MSBV: ***Market Risk***: Morgan Stanley's results of operations may be materially affected by market fluctuations and by global and economic conditions and other factors. Holding large and concentrated positions may expose Morgan Stanley to losses. These factors may result in losses for a position or portfolio owned by Morgan Stanley. ***Credit Risk:*** Morgan Stanley is exposed to the risk that third parties that are indebted to it will not perform their obligations, as well as that a default by a large financial institution could adversely affect financial markets. Such factors give rise to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations to Morgan Stanley. ***Operational Risk:*** Morgan Stanley is subject to the risk of loss, or of damage to its reputation, resulting from inadequate or failed processes, people and systems or from external events (e.g. fraud, theft, legal and compliance risks, cyber attacks or damage to physical assets). Morgan Stanley may incur operational risk across the full scope of its business activities, including revenue-generating activities (e.g. sales and trading) and support and control groups (e.g. information technology and trade processing). ***Liquidity and Funding Risk:*** Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations. Morgan Stanley's borrowing costs and access to the debt capital markets depend significantly on its credit ratings. Morgan Stanley is a holding company and depends on payments from its subsidiaries. Further, Morgan Stanley's liquidity and financial condition have in the past been, and in the future could be, adversely affected by U.S. and international markets and economic conditions. As a result of the foregoing, there is a risk that Morgan Stanley will be unable to finance its operations due to a loss of access to the capital markets or difficulty in liquidating its assets; or be unable to meet its financial obligations without experiencing significant business disruption or reputational damage that may threaten its viability as a going concern. ***Legal, Regulatory and Compliance Risk:*** Morgan Stanley is subject to the risk of legal or regulatory sanctions, material financial loss including fines, penalties, judgments, damages and/or settlements, or loss to reputation it may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards and codes of conduct applicable to its business activities. Morgan Stanley is also subject to contractual and commercial risk, such as the risk that a counterparty's performance obligations will be unenforceable. Additionally, Morgan Stanley is subject to anti-money laundering and terrorist financing rules and regulations. Further, in today's environment of rapid and possibly transformational regulatory change, Morgan Stanley also views regulatory change as a component of legal, regulatory and compliance risk. ***Risk Management:*** Morgan Stanley's risk management strategies, models and processes may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk. ***Competitive Environment***: Morgan Stanley faces strong competition from other financial services firms, which could lead to pricing pressures that could materially adversely affect its revenue and profitability. Further, automated trading markets may adversely affect Morgan Stanley's business and may increase competition (for example, by putting increased pressure on bid-offer spreads, commissions, markups or comparable fees). Finally, Morgan Stanley's ability to retain and attract qualified employees is critical to the success of its business and the failure to do so may materially adversely affect its performance. ***International Risk:*** Morgan Stanley is subject to numerous political, economic, legal, operational, franchise and other risks as a result of its international operations

		(including risks of possible nationalization, expropriation, price controls, capital controls, exchange controls, increased taxes and levies and other restrictive governmental actions, as well as the outbreak of hostilities or political and governmental instability) which could adversely impact its businesses in many ways. ***Acquisition, Divestiture and Joint Venture Risk:*** Morgan Stanley may be unable to fully capture the expected value from acquisitions, divestitures, joint ventures, minority stakes and strategic alliances. ***Risk relating to the exercise of potential resolution measures powers:*** The application of regulatory requirements and strategies in the United States to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for the holders of securities issued or guaranteed by Morgan Stanley. The following key risks also affect MSBV: All material assets of MSBV are obligations of one or more companies in the Morgan Stanley group and MSBV's ability to perform its obligations is dependent upon such companies fulfilling their obligations to MSBV. Should such companies prospects be impaired, holders of securities issued by MSBV may also be exposed to a risk of loss. The following key risks also affect MSI plc: The existence of substantial inter-relationships (including the provision of funding, capital, services and logistical support to or by MSI plc, as well as common or shared business or operational platforms or systems, including employees) between MSI plc and other Morgan Stanley group companies exposes MSI plc to the risk that, factors which could affect the business and condition of Morgan Stanley or other companies in the Morgan Stanley Group may also affect the business and condition of MSI plc. Further, Notes issued by MSI plc will not be guaranteed by Morgan Stanley. The application of regulatory requirements and strategies in the United Kingdom to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for the holders of securities issued by MSI Plc.

PART C

AMENDEMENTS TO RISK FACTORS

In paragraph 1. "Risks relating to Morgan Stanley, Morgan Stanley & Co. International plc and Morgan Stanley B.V." of section "Risk Factors", sub-paragraphs "Market Risk" to "Acquisition, Divestiture and Joint Venture Risk." (set out on pages 24 to 36 of the Base Prospectus) are amended as follows:

1. In the sub-paragraph "***Market Risk.***" the title "***Morgan Stanley's results of operations may be materially affected by market fluctuations and by global and economic conditions and other factors.***" is deleted and replaced with the following new title:

   "***Morgan Stanley's results of operations may be materially affected by market fluctuations and by global and economic conditions and other factors.***

   Morgan Stanley's results of operations have been in the past and may be materially affected by market fluctuations due to global and economic conditions and other factors, including the level and volatility of equity, fixed income and commodity prices (including oil prices), interest rates, currency values and other market indices. The results of Morgan Stanley's Institutional Securities business segment, particularly results relating to Morgan Stanley's involvement in primary and secondary markets for all types of financial products, are subject to substantial market fluctuations due to a variety of factors that Morgan Stanley cannot control or predict with great certainty. These fluctuations impact results by causing variations in new business flows and in the fair value of securities and other financial products. Fluctuations also occur due to the level of global market activity, which, among other things, affects the size, number and timing of investment banking client assignments and transactions and the realization of returns from Morgan Stanley's principal investments. During periods of unfavorable market or economic conditions, the level of individual investor participation in the global markets, as well as the level of client assets, may also decrease, which would negatively impact the results of Morgan Stanley's Wealth Management business segment. In addition, fluctuations in global market activity could impact the flow of investment capital into or from assets under management or supervision and the way customers allocate capital among money market, equity, fixed income or other investment alternatives, which could negatively impact Morgan Stanley's Investment Management business segment.

   The value of Morgan Stanley's financial instruments may be materially affected by market fluctuations. Market volatility, illiquid market conditions and disruptions in the credit markets make it extremely difficult to value certain of Morgan Stanley's financial instruments, particularly during periods of market displacement. Subsequent valuations in future periods, in light of factors then prevailing, may result in significant changes in the values of these instruments and may adversely impact historical or prospective performance-based fees (also known as incentive fees or carried interest) in respect of certain business. In addition, at the time of any sales and settlements of these financial instruments, the price Morgan Stanley ultimately realize will depend on the demand and liquidity in the market at that time and may be materially lower than their current fair value. Any of these factors could cause a decline in the value of Morgan Stanley's financial instruments, which may have an adverse effect on Morgan Stanley's results of operations in future periods.

   In addition, financial markets are susceptible to severe events evidenced by rapid depreciation in asset values accompanied by a reduction in asset liquidity. Under these extreme conditions, hedging and other risk management strategies may not be as effective at mitigating trading losses as they would be under more normal market conditions. Moreover, under these conditions market participants are particularly exposed to trading strategies employed by many market participants simultaneously and on a large scale. Morgan Stanley's risk management and monitoring processes seek to quantify and mitigate risk to more extreme market moves. However, severe market events have historically been difficult to predict and Morgan Stanley could realize significant losses if extreme market events were to occur."

2. In the sub-paragraph "***Liquidity and Funding Risk.***" the title "***Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations.***" and the title "***Morgan Stanley's borrowing costs and access to the debt capital markets depend significantly on its credit ratings.***" are deleted and replaced with the following new titles:

   "***Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations.***

Liquidity is essential to Morgan Stanley's businesses. Morgan Stanley's liquidity could be negatively affected by its inability to raise funding in the long-term or short-term debt capital markets or its inability to access the secured lending markets. Factors that Morgan Stanley cannot control, such as disruption of the financial markets or negative views about the financial services industry generally, including concerns regarding fiscal matters in the U.S. and other geographic areas, could impair its ability to raise funding. In addition, Morgan Stanley's ability to raise funding could be impaired if investors or lenders develop a negative perception of its long term or short-term financial prospects due to factors such as an incurrence of large trading losses, a downgrade by the rating agencies, a decline in the level of its business activity, or if regulatory authorities take significant action against it or its industry, or it discovers significant employee misconduct or illegal activity. If Morgan Stanley is unable to raise funding using the methods described above, it would likely need to finance or liquidate unencumbered assets, such as its investment and trading portfolios, to meet maturing liabilities. Morgan Stanley may be unable to sell some of its assets, or it may have to sell assets at a discount to market value, either of which could adversely affect its results of operations, cash flows and financial condition.

Morgan Stanley's borrowing costs and access to the debt capital markets depend significantly on its credit ratings.

The cost and availability of unsecured financing generally are impacted by Morgan Stanley's short-term and long-term credit ratings. The rating agencies are continuing to monitor certain issuer specific factors that are important to the determination of Morgan Stanley's credit ratings, including governance, the level and quality of earnings, capital adequacy, funding and liquidity, risk appetite and management, asset quality, strategic direction, and business mix. Additionally, the rating agencies will look at other industrywide factors such as regulatory or legislative changes, including, for example, regulatory changes relating to total loss absorbing capacity requirements, macro-economic environment, and perceived levels of third party support, and it is possible that they could downgrade Morgan Stanley's ratings and those of similar institutions.

Morgan Stanley's credit ratings also can have a significant impact on certain trading revenues, particularly in those businesses where longer term counterparty performance is a key consideration, such as OTC derivative transactions, including credit derivatives and interest rate swaps. In connection with certain OTC trading agreements and certain other agreements associated with the Institutional Securities business segment, Morgan Stanley's may be required to provide additional collateral to, or immediately settle any outstanding liability balance with, certain counterparties in the event of a credit ratings downgrade. Termination of Morgan Stanley's trading and other agreements could cause it to sustain losses and impair its liquidity by requiring it to find other sources of financing or to make significant cash payments or securities movements. The additional collateral or termination payments which may occur in the event of a future credit rating downgrade vary by contract and can be based on ratings by either or both of Moody's Investor Services and Standard & Poor's Rating Services."

3. The sub-paragraph "***Legal, Regulatory and Compliance Risk.***" Is amended as follows:

   a. The paragraph between the title "***Legal, Regulatory and Compliance Risk.***" and the title "***The financial services industry is subject to extensive regulation, which is undergoing major changes that will impact Morgan Stanley's business.***" is deleted and replaced with the following:

      "Legal, regulatory and compliance risk includes the risk of legal or regulatory sanctions, material financial loss including fines, penalties, judgments, damages and/or settlements, or loss to reputation Morgan Stanley may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards and codes of conduct applicable to its business activities. This risk also includes contractual and commercial risk, such as the risk that a counterparty's performance obligations will be unenforceable. It also includes compliance with AML and terrorist financing rules and regulations. In today's environment of rapid and possibly transformational regulatory change, Morgan Stanley also views regulatory change as a component of legal, regulatory and compliance risk."

   b. The title "***The financial services industry is subject to extensive regulation, which is undergoing major changes that will impact Morgan Stanley's business.***" and the title "***The application of regulatory requirements and strategies in the United States to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for the security holders of Morgan Stanley.***" are deleted and replaced with the following new titles:

"*The financial services industry is subject to extensive regulation, which is undergoing major changes that will impact Morgan Stanley's business.*

Like other major financial services firms, Morgan Stanley is subject to extensive regulation by U.S. federal and state regulatory agencies and securities exchanges and by regulators and exchanges in each of the major markets where it conducts its business. These laws and regulations significantly affect the way Morgan Stanley does business and can restrict the scope of its existing businesses and limit its ability to expand its product offerings and pursue certain investments.
In response to the financial crisis, legislators and regulators, both in the U.S. and worldwide, have adopted, continue to
propose and are in the process of adopting, finalizing and implementing a wide range of financial market reforms that are resulting in major changes to the way Morgan Stanley's global operations are regulated and conducted. In particular, as a result of these reforms, Morgan Stanley is are, or will become, subject to (among other things) significantly revised and expanded regulation and supervision, more intensive scrutiny of Morgan Stanley's businesses and any plans for expansion of those businesses, new activities limitations, a systemic risk regime that imposes heightened capital and liquidity requirements and other enhanced prudential standards, new resolution regimes and resolution planning requirements, new requirements for maintaining minimum amounts of external total loss-absorbing capacity and external long-term debt, new restrictions on activities and investments imposed by the Volcker Rule, and comprehensive new derivatives regulation. While certain portions of these reforms are effective, others are still subject to final rulemaking or transition periods. Many of the changes required by these reforms could materially impact the profitability of Morgan Stanley's businesses and the value of assets Morgan Stanley holds, expose it to additional costs, require changes to business practices or force it to discontinue businesses, adversely affect its ability to pay dividends and repurchase its stock, or require Morgan Stanley to raise capital, including in ways that may adversely impact its shareholders or creditors. In addition, regulatory requirements that are being proposed by foreign policymakers and regulators may be inconsistent or conflict with regulations that Morgan Stanley is subject to in the U.S. and, if adopted, may adversely affect it. While there continues to be uncertainty about the full impact of these changes, Morgan Stanley does know that Morgan Stanley is and will continue to be subject to a more complex regulatory framework, and will incur costs to comply with new requirements as well as to monitor for compliance in the future.

The application of regulatory requirements and strategies in the United States to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for the security holders of Morgan Stanley.

Pursuant to the Dodd-Frank Act, Morgan Stanley is required to submit to the Federal Reserve and the FDIC an annual resolution plan that describes its strategy for a rapid and orderly resolution under the U.S. Bankruptcy Code in the event of material financial distress or failure of Morgan Stanley. In addition, provided that certain procedures are met, Morgan Stanley can be subject to a resolution proceeding under the orderly liquidation authority under Title II of the Dodd-Frank Act with the FDIC being appointed as receiver. The FDIC's power under the orderly liquidation authority to disregard the priority of creditor claims and treat similarly situated creditors differently in certain circumstances, subject to certain limitations, could adversely impact holders of Morgan Stanley's unsecured debt.

Further, because both Morgan Stanley's resolution plan contemplates a single-point-of-entry ("SPOE") strategy under the U.S. Bankruptcy Code and the FDIC has proposed an SPOE strategy through which it may apply its orderly liquidation authority powers, Morgan Stanley believes that the application of an SPOE strategy is the reasonably likely outcome if either its resolution plan were implemented or a resolution proceeding were commenced under the orderly liquidation authority. An SPOE strategy generally contemplates the provision of additional capital and liquidity by Morgan Stanley to certain subsidiaries in an effort to ensure that such subsidiaries have the resources necessary to implement the resolution strategy. Although this strategy, whether applied pursuant to Morgan Stanley's resolution plan or in a resolution proceeding under the orderly liquidation authority, is intended to result in better outcomes for creditors overall, there is no guarantee that the application of an SPOE strategy will not result in greater losses for holders of Morgan Stanley's securities compared to a different resolution strategy for the firm.

Regulators have taken and proposed various actions to facilitate an SPOE strategy under the U.S. Bankruptcy Code, the orderly liquidation authority or other resolution regimes. For example, the Federal Reserve has issued a proposed rule that would require top-tier bank holding companies of U.S. G-SIBs, including Morgan Stanley, to maintain minimum amounts of equity and eligible long-term debt ("total loss-absorbing capacity" or "TLAC") in order to ensure that such institutions have enough loss-absorbing resources at the point of failure to be recapitalized through the conversion of debt to equity or otherwise by imposing losses on eligible TLAC where the SPOE strategy is used.".

c. The title "***Morgan Stanley may be responsible for representations and warranties associated with residential and commercial real estate loans and may incur losses in excess of its reserves.***" and the title "***Morgan Stanley commodities activities subject it to extensive regulation, potential catastrophic events and environmental risks and regulation that may expose it to significant costs and liabilities.***" are deleted and replaced with the following new titles:

"***Morgan Stanley may be responsible for representations and warranties associated with residential and commercial real estate loans and may incur losses in excess of its reserves.***

Morgan Stanley originates loans secured by commercial and residential properties. Further, Morgan Stanley securitizes and trades in a wide range of commercial and residential real estate and real estate-related whole loans, mortgages and other real estate and commercial assets and products, including residential and commercial mortgage-backed securities. In connection with these activities, it has provided, or otherwise agreed to be responsible for, certain representations and warranties. Under certain circumstances, Morgan Stanley may be required to repurchase such assets or make other payments related to such assets if such representations and warranties were breached. It has also made representations and warranties in connection with its role as an originator of certain commercial mortgage loans that it securitized in commercial mortgage-backed securities.

Morgan Stanley currently has several legal proceedings related to claims for alleged breaches of representations and warranties. If there are decisions adverse to Morgan Stanley in those legal proceedings, it may incur losses substantially in excess of its reserves. In addition, its reserves are based, in part, on certain factual and legal assumptions. If those assumptions are incorrect and need to be revised, Morgan Stanley may need to adjust its reserves substantially.

Morgan Stanley commodities activities subject it to extensive regulation, potential catastrophic events and environmental risks and regulation that may expose it to significant costs and liabilities.

In connection with the commodities activities in Morgan Stanley's Institutional Securities business segment, Morgan Stanley engages in the production, storage, transportation, marketing and execution of transactions in several commodities, including metals, natural gas, electric power, emission credits, and other commodity products. In addition, Morgan Stanley is an electricity power marketer in the U.S. and owns electricity generating facilities in the U.S. and owns a minority interest in Heidmar Holdings LLC, which owns a group of companies that provide international marine transportation and U.S. marine logistics services. As a result of these activities, Morgan Stanley is subject to extensive and evolving energy, commodities, environmental, health and safety and other governmental laws and regulations. In addition, liability may be incurred without regard to fault under certain environmental laws and regulations for the remediation of contaminated areas. Further, through these activities Morgan Stanley is exposed to regulatory, physical and certain indirect risks associated with climate change.

Although Morgan Stanley has attempted to mitigate its environmental risks by, among other measures, selling or ceasing much of its prior petroleum storage and transportation activities and adopting appropriate policies and procedures for power plant operations and implementing emergency response programs, these actions may not prove adequate to address every contingency. In addition, insurance covering some of these risks may not be available, and the proceeds, if any, from insurance recovery may not be adequate to cover liabilities with respect to particular incidents. As a result, Morgan Stanley's financial condition, results of operations and cash flows may be adversely affected by these events.

The BHC Act provides a grandfather exemption for "activities related to the trading, sale or investment in commodities and underlying physical properties," provided that Morgan Stanley were engaged in "any of such activities as of September 30, 1997 in the United States" and provided that certain other conditions that are within Morgan Stanley's reasonable control are satisfied. If the Federal Reserve were to determine that any of Morgan Stanley's commodities activities did not qualify for the BHC Act grandfather exemption, then it would likely be required to divest any such activities that did not otherwise conform to the BHC Act.

Morgan Stanley also expects the other laws and regulations affecting its commodities business to increase in both scope and complexity. During the past several years, intensified scrutiny of certain energy markets by federal, state and local authorities in the U.S. and abroad and the public has resulted in increased regulatory and legal enforcement, litigation and remedial proceedings involving companies conducting the activities in which Morgan Stanley is engaged. In addition, new regulation of OTC derivatives markets in the U.S. and similar legislation proposed or adopted abroad will impose significant new costs and impose new requirements on Morgan Stanley's commodities derivatives activities. Morgan Stanley may incur substantial costs or loss of revenue in complying with current or future laws and regulations and its overall businesses and reputation may be adversely affected by the current legal environment. In addition, failure to comply with these laws and regulations may result in substantial civil and criminal fines and penalties."

4. In sub-paragraph "**Risk Management.**", the title "***Morgan Stanley's risk management strategies, models and processes may not be fully effective in mitigating its risk exposures in all market environments or against all types of risk.***" is entirely deleted and replaced with the following:

   "***Morgan Stanley's risk management strategies, models and processes may not be fully effective in mitigating its risk exposures in all market environments or against all types of risk.***

   Morgan Stanley has devoted significant resources to develop its risk management policies and procedures and expect to continue to do so in the future. Nonetheless, its risk management strategies, models and processes, including its use of various risk models for assessing market exposures and hedging strategies, stress testing and other analysis, may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. As its businesses change and grow, and the markets in which Morgan Stanley operates evolve, its risk management strategies, models and processes may not always adapt with those changes. Some of Morgan Stanley's methods of managing risk are based upon its use of observed historical market behavior and management's judgment. As a result, these methods may not predict future risk exposures, which could be significantly greater than the historical measures indicate. In addition, many models Morgan Stanley uses are based on assumptions or inputs regarding correlations among prices of various asset classes or other market indicators and therefore cannot anticipate sudden, unanticipated or unidentified market or economic movements, which could cause Morgan Stanley to incur losses.

   Management of market, credit, liquidity, operational, legal, regulatory and compliance risks requires, among other things, policies and procedures to record properly and verify a large number of transactions and events, and these policies and procedures may not be fully effective. Morgan Stanley trading risk management strategies and techniques also seek to balance its ability to profit from trading positions with its exposure to potential losses. While Morgan Stanley employs a broad and diversified set of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the timing of such outcomes. For example, to the extent that Morgan Stanley's trading or investing activities involve less liquid trading markets or are otherwise subject to restrictions on sale or hedging, Morgan Stanley may not be able to reduce its positions and therefore reduce its risk associated with such positions. Morgan Stanley may, therefore, incur losses in the course of its trading or investing activities."

5. In sub-paragraph "**Acquisition, Divestiture and Joint Venture Risk.**", the title "***Morgan Stanley may be unable to fully capture the expected value from acquisitions, divestitures, joint ventures, minority stakes and strategic alliances.***" is entirely deleted and replaced with the following:

   "***Morgan Stanley may be unable to fully capture the expected value from acquisitions, divestitures, joint ventures, minority stakes and strategic alliances.***

   In connection with past or future acquisitions, divestitures, joint ventures or strategic alliances (including with Mitsubishi UFJ Financial Group, Inc.), Morgan Stanley faces numerous risks and uncertainties combining, transferring, separating or integrating the relevant businesses and systems, including the need to combine or separate accounting and data processing systems and management controls and to integrate relationships with clients, trading counterparties and business partners. In the case of joint ventures and minority stakes, Morgan Stanley is subject to additional risks and uncertainties because it may be dependent upon, and subject to liability, losses or reputational damage relating to, systems, controls and personnel that are not under its control.

   In addition, conflicts or disagreements between Morgan Stanley and any of its joint venture partners may negatively impact the benefits to be achieved by the relevant joint venture.

   There is no assurance that any of its acquisitions or divestitures will be successfully integrated or disaggregated or yield all of the positive benefits anticipated. If Morgan Stanley is not able to integrate or disaggregate successfully its past and future acquisitions or dispositions, there is a risk that its results of operations, financial condition and cash flows may be materially and adversely affected.

Certain of Morgan Stanley's business initiatives, including expansions of existing businesses, may bring it into contact, directly or indirectly, with individuals and entities that are not within its traditional client and counterparty base and may expose Morgan Stanley to new asset classes and new markets. These business activities expose it to new and enhanced risks, greater regulatory scrutiny of these activities, increased credit-related, sovereign and operational risks, and reputational concerns regarding the manner in which these assets are being operated or held.".

PART D

AMENDMENTS TO THE DESCRIPTION OF MORGAN STANLEY

1. The second paragraph under the heading "LEGAL PROCEEDINGS AND CONTINGENCIES" at page 373 shall be deleted in its entirety and replaced with the following:

"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 the Morgan Stanley 2015 10-K;

b) the section entitled "Legal Settlement" under the heading "24. Subsequent Events" in "Notes to the Consolidated Financial Statements" in Part I – Item 8 at page 250 of the Morgan Stanley 2015 10-K; and

c) the this Base Prospectus,

there are no, nor have there been, any governmental, legal or arbitration proceedings involving Morgan Stanley (including any such proceedings which are pending or threatened of which Morgan Stanley) 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.".

2. The selected financial information of Morgan Stanley at pages 376 to 383 shall be deleted in its entirety and replaced with the following:

"***Selected financial information of Morgan Stanley relating to the year ended 31 December 2014 and to the year ended 31 December 2015***:

Balance Sheet ($ *in millions*)	**At 31 December 2014**	**At 31 December 2015**
Total assets	801,510	787,465
Total liabilities and equity	801,510	787,465

Consolidated Income Statement *($ in millions)*	**2014**	**2015**
Net revenues	34,275	35,155
Income from continuing operations before tax	3,591	8,495
Net income	3,667	6,279

PART E

AMENDMENTS TO GENERAL INFORMATION

1. The first paragraph under the heading "Trend Information" on page 423 of the Base Prospectus shall be deleted in its entirety and replaced by the following:

"Save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of Morgan Stanley since 31 December 2015 (being the end of the last financial period for which audited financial statements have been published) as at the date of the First Supplement.".

2. The first paragraph under the heading "Significant Change" on page 424 of the Base Prospectus shall be deleted in its entirety and replaced by the following:

"Save as disclosed in this Base Prospectus, there has been at the date of this Prospectus no significant change in the financial or trading position of Morgan Stanley since 31 December 2015.".

3. Item (g) under the heading "Documents Available" on page 426 of the Base Prospectus shall be deleted in its entirety and replaced by following:

"(g) 2014 Morgan Stanley Annual Report including any amendments thereto, which contain the audited consolidated financial statements of Morgan Stanley for the years ended 31 December 2014 and 31 December 2013; Morgan Stanley's First Quarterly Report for 2015, Morgan Stanley's Second Quarterly Report for 2015; Morgan Stanley's Third Quarterly Report for 2015 and the Morgan Stanley 2015 10-K;".

PART F

RESPONSIBILITY FOR THE FIRST SUPPLEMENT TO THE BASE PROSPECTUS

Persons responsible for this First Supplement

We hereby certify, after having taken all reasonable care to ensure that such is the case, that the information contained in this First Supplement to Base Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Morgan Stanley B.V.
Luna Arena
Herikerbergweg 238
1101 CM Amsterdam Zuidoost
Netherlands

Duly represented by:

TMF Management BV
as Managing Director

Duly represented by:

Jos van Uffelen and Saskia Engel
as authorised representatives of TMF Management BV

on 18 May 2016

We hereby certify, after having taken all reasonable care to ensure that such is the case, that the information contained in this First Supplement to Base Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
Londres E14 4QA
United Kingdom

Duly represented by:
David Russell
in its capacity as Managing Director

on 18 May 2016

We hereby certify, after having taken all reasonable care to ensure that such is the case, that the information contained in this First Supplement to Base Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Morgan Stanley
1585 Broadway
New York, New York 10036
U.S.A.

Duly represented by:
Kevin Sheehan
in its capacity as Assistant Treasurer

on18 May 2016