FIRST SUPPLEMENT TO THE REGISTRATION DOCUMENT

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

MORGAN STANLEY & CO. INTERNATIONAL PLC
(incorporated with limited liability in England and Wales)

MORGAN STANLEY B.V.
(incorporated with limited liability in the Netherlands)

and

MORGAN STANLEY FINANCE LLC
(formed under the laws of the State of Delaware in the United States of America)

Morgan Stanley, Morgan Stanley & Co. International plc ("**MSI plc**"), Morgan Stanley B.V. ("**MSBV**") and Morgan Stanley Finance LLC ("**MSFL**") have prepared this first supplement to the registration document (the "**First Registration Document Supplement**") to supplement and be read in conjunction with the registration document dated 13 December 2019 (the "**Registration Document**") of Morgan Stanley, MSI plc, MSBV and MSFL.

This First Registration Document Supplement has been approved by the Luxembourg Commission de Surveillance du Secteur Financier (the "**CSSF**") as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), as a supplement to the Registration Document issued in compliance with the Prospectus Regulation for the purposes of providing information during the period twelve months after 13 December 2019 with regard to Morgan Stanley, MSI plc, MSBV and MSFL as issuers or obligors in respect of debt or derivative securities.

The CSSF only approves this First Registration Document Supplement as meeting the standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and the CSSF gives no undertaking as to the economic and financial soundness of any transaction or the quality or solvency of the issuers. Such approval should not be considered as an endorsement of the issuers that are the subject of this First Registration Document Supplement.

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

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

The purpose of this First Registration Document Supplement is to:

(a) disclose the publication by Morgan Stanley of its Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2020 (the "**Morgan Stanley March 2020 10-Q**") and incorporate by reference as set out in "Part A" of this First Registration Document Supplement;

(b) disclose the publication by Morgan Stanley of its Proxy Statement dated 3 April 2020 (the "**Morgan Stanley 2020 Proxy Statement**") and incorporate by reference as set out in "Part A" of this First Registration Document Supplement;

(c) disclose the publication by Morgan Stanley of its Annual Report on Form 10-K for the year ended 31 December 2019 (the "**Morgan Stanley 2019 10-K**") and incorporate by reference certain sections of the Morgan Stanley 2019 10-K, as set out in "Part A" of this First Registration Document Supplement;

(d) disclose the publication by MSI plc of its annual report and financial statements for the year ended 31 December 2019 (the "**MSI plc 2019 Annual Report**") and incorporate by reference, as set out in "Part A" of this First Registration Document Supplement;

(e) disclose the publication by MSBV of its annual report and financial statements for the year ended 31 December 2019 (the "**MSBV 2019 Annual Report**") and incorporate by reference, as set out in "Part A" of this First Registration Document Supplement;

(f) disclose the publication by MSFL of its annual report and financial statements for the year ended 31 December 2019 (the "**MSFL 2019 Annual Report**") and incorporate by reference, as set out in "Part A" of this First Registration Document Supplement; and

(g) make certain consequential amendments to the Registration Document pursuant to the publication of the Morgan Stanley March 2020 10-Q, Morgan Stanley 2020 Proxy Statement, Morgan Stanley 2019 10-K, MSI plc 2019 Annual Report, MSBV 2019 Annual Report and MSFL 2019 Annual Report as set out in "Part B", "Part C", "Part D", "Part E", "Part F" and "Part G" of this First Registration Document Supplement.

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

"**Responsible Person**" means:

(a) Morgan Stanley with regard to this First Registration Document Supplement which comprises this First Registration Document Supplement with the exception of items 4, 5 and 6 of Part A hereto and all information referring to MSI plc, MSBV and MSFL in Parts E, F and G hereto;

(b) MSI plc with regard to this First Registration Document Supplement which comprises this First Registration Document Supplement with the exception of items 1, 2, 3, 5 and 6 of Part A hereto and all information referring to Morgan Stanley, MSBV and MSFL in Parts B, C, D, F and G hereto;

(c) MSBV with regard to this First Registration Document Supplement which comprises this First Registration Document Supplement with the exception of items 1, 2, 3, 4 and 6 of Part A hereto and all information referring to Morgan Stanley, MSI plc and MSFL in Parts B, C, D, E and G hereto; and

(d) MSFL with regard to this First Registration Document Supplement which comprises this First Registration Document Supplement with the exception of items 1, 2, 3, 4 and 5 of Part A hereto and all information referring to Morgan Stanley, MSI plc and MSBV in Parts B, C, D, E and F hereto.

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

Any information or documents incorporated by reference into the Morgan Stanley March 2020 10-Q, Morgan Stanley 2020 Proxy Statement, Morgan Stanley 2019 10-K, MSI plc 2019 Annual Report, MSBV 2019 Annual Report and MSFL 2019 Annual Report are not incorporated by reference into this First Registration Document Supplement as such information or documents are either not relevant for the investor in any securities issued by Morgan Stanley, MSI plc, MSBV or MSFL (as applicable) or are covered in the relevant prospectus or securities in respect of such securities.

This First Registration Document Supplement, the Morgan Stanley March 2020 10-Q, Morgan Stanley 2020 Proxy Statement, Morgan Stanley 2019 10-K, MSI plc 2019 Annual Report, MSBV 2019 Annual Report and MSFL 2019 Annual Report are available for viewing, and copies may be obtained from the offices of the Responsible Person, and, in the case of this First Registration Document Supplement, the offices of each of Morgan Stanley, MSI plc, MSBV and MSFL.

This First Registration Document Supplement, Morgan Stanley 2019 10-K, MSI plc 2019 Annual Report, MSBV 2019 Annual Report and MSFL 2019 Annual Report are available on Morgan Stanley's website at http://sp.morganstanley.com/EU/Documents and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

The Morgan Stanley March 2020 10-Q and Morgan Stanley 2020 Proxy Statement are available on Morgan

Stanley's website at http://www.morganstanley.com/about-us-ir and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

7 July 2020

MORGAN STANLEY

MORGAN STANLEY & CO. INTERNATIONAL PLC

MORGAN STANLEY B.V.

MORGAN STANLEY FINANCE LLC

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PART A - INCORPORATION BY REFERENCE

This First Registration Document Supplement incorporates by reference the Morgan Stanley March 2020 10-Q, Morgan Stanley 2020 Proxy Statement, Morgan Stanley 2019 10-K, MSI plc 2019 Annual Report, MSBV 2019 Annual Report and MSFL 2019 Annual Report and supplements the section entitled "*Information Incorporated by Reference*" at pages 21 to 31 of the Registration Document.

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

	Document filed		Information incorporated by reference	Page
	Morgan Stanley			
1.	Morgan Stanley March 2020 10-Q https://www.morganstanley.com/about-us-ir/shareholder/10q0320.pdf	(1)	Management's Discussion and Analysis of Financial Condition and Results of Operations	2-27
		(2)	Quantitative and Qualitative Disclosures about Risk	28-37
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		(4)	Consolidated Financial Statements and Notes	39-80
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		(13)	Other Information	84
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2.	Morgan Stanley 2020 Proxy Statement	(1)	Overview of Voting Items	5-9
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		(3)	Audit Matters	40-43
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3.	Morgan Stanley 2019 10-K	(1)	Business	1-10
	https://www.morganstanley.com/about-us-ir/shareholder/10k2019/10k1219.pdf	(2)	Selected Financial Data	23
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	(26)	Certain Relationships and Related Transactions and Director Independence	165
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MSI plc			
4. MSI plc 2019 Annual Report https://www.morganstanley.com/about-us-ir/pdf/MSIP_Group_Accounts_31_December_2019.pdf	(1)	Independent auditor's report	47-56
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5. MSBV 2019 Annual Report https://sp.morganstanley.com/EU/Download/GeneralDocument?documentID=8bdb5faa-8890-41b1-9362-e250e7b0c39b	(1)	Directors' responsibilities statement	12
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6. MSFL 2019 Annual Report https://www.bourse.lu/issuer/MorganStanleyFi/80858	(1)	Director’s responsibility statement	8
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Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in the Registration Document.

PART B - AMENDMENT TO THE "INFORMATION INCORPORATED BY REFERENCE" SECTION

The section entitled "*Information Incorporated by Reference*" at pages 21 to 31 of the Registration Document shall be amended as follows:

1. The paragraph beginning "*Morgan Stanley's Quarterly Report"* at page 30 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

   *"Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2020, incorporated by reference, includes details of the long-term and short-term credit ratings assigned to Morgan Stanley by DBRS, Inc. ("**DBRS**"), Fitch Ratings, Inc. ("**Fitch**"), Moody's, Rating and Investment Information, Inc. ("**R&I**") and S&P. MSI plc's Annual Report for the year ended 31 December 2019, incorporated by reference, includes details of the long-term and short-term credit ratings assigned to MSI plc by Moody's and S&P. MSFL's Annual Report for the year ended 31 December 2019, incorporated by reference, includes details of the long-term credit rating assigned to MSFL by S&P, Fitch and Moody's."*

PART C - AMENDMENTS TO THE "RISKS FACTORS" SECTION

The section entitled "*Risk Factors*" at pages 3 to 20 of the Registration Document is hereby amended as follows:

1. The following new risk factor shall be added immediately before the risk factor entitled "*Morgan Stanley's results of operations may be materially affected by market fluctuations and by global and economic conditions and other factors, including changes in asset values*" on page 3 of the Registration Document:

   "Morgan Stanley's results of operations have been, and will likely continue to be, adversely affected by the COVID-19 pandemic.

   The coronavirus disease (COVID-19) pandemic has, and will likely continue to, severely impact global economic conditions, resulting in substantial volatility in the global financial markets, increased unemployment, and operational challenges such as the temporary closures of businesses, sheltering-in-place directives and increased remote work protocols. Governments and central banks around the world have reacted to the economic crisis caused by the pandemic by implementing stimulus and liquidity programs and cutting interest rates, though it is unclear whether these or future actions will be successful in countering the economic disruption. If the pandemic is prolonged or the actions of governments and central banks are unsuccessful, the adverse impact on the global economy will deepen, and Morgan Stanley's results of operations and financial condition in future quarters will be adversely affected.

   Towards the end of the first quarter of 2020 and into April 2020, the pandemic impacted each of Morgan Stanley's business segments and such impact will likely be greater in future quarters if conditions persist (e.g., decline and volatility of asset prices, reduction in interest rates, widening of credit spreads, credit deterioration, market volatility and reduced investment banking advisory activity). This resulted in significant decreases in the valuation of its loans and commitments, investments and certain classes of trading assets, an increase in the allowance for credit losses, reduced net interest income, and reduced investment banking advisory fees. At the same time, increased revenues for certain products related to high levels of client trading activity, as well as balance sheet growth from increased deposits and derivative assets, may not be replicated in future quarters.

   Should these global market conditions be prolonged or worsen, or the pandemic lead to additional market disruptions, Morgan Stanley could experience reduced client activity and demand for its products and services, higher credit and valuation losses in loan and commitment and investment portfolios, impairments of other financial assets and other negative impacts on Morgan Stanley's financial position, including possible constraints on capital and liquidity, as well as a higher cost of capital, and possible changes or downgrades to Morgan Stanley's credit ratings. In addition, the sharp decline in interest rates will further decrease interest margins in Morgan Stanley's lending businesses across Wealth Management and Institutional Securities. A continued slowdown of commercial activity would cause overall investment banking revenues to decline and the decline in assets under management and client balances will also further reduce fee and financing revenues across all of Morgan Stanley's business segments.

   Operationally, although Morgan Stanley has initiated a work remotely protocol and restricted business travel of its workforce, if significant portions of its workforce, including key personnel, are unable to work effectively because of illness, government actions, or other restrictions in connection with the pandemic, the impact of the pandemic on Morgan Stanley's businesses could be exacerbated.

   While the COVID-19 pandemic negatively impacted Morgan Stanley's results of operations in the first quarter of 2020, the extent to which it, and the related global economic crisis, affect Morgan Stanley's businesses, results of operations and financial condition, as well as Morgan Stanley's regulatory capital and liquidity ratios, will depend on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and any recovery period, future actions taken by governmental authorities, central banks and other third parties in response to the pandemic, and the effects on Morgan Stanley's customers, counterparties, employees and third-party service providers. Moreover, the effects of the COVID-19 pandemic will heighten the other risks described in this Registration Document in respect of Morgan Stanley and any subsequent Quarterly Report on Form 10-Q."

2. The risk factor entitled "*Morgan Stanley's results of operations may be materially affected by market fluctuations and by global and economic conditions and other factors, including changes in asset values."* at pages 3 and 4 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

   *"**Morgan Stanley's results of operations may be materially affected by market fluctuations and by global***

and economic conditions and other factors, including changes in asset values.

Morgan Stanley's results of operations have been in the past and may, in the future, be materially affected by market fluctuations due to global financial markets, economic conditions, changes to global trade policies and tariffs and other factors, including the level and volatility of equity, fixed income and commodity prices, the level and term structure of interest rates, inflation and currency values, and the level of 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 business flows and activity 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 realisation of returns from Morgan Stanley's principal investments. During periods of unfavourable 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. Substantial market fluctuations could also cause variations in the value of our investments in our funds, 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 may make it extremely difficult to value and monetise 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 fees and performance-based fees (also known as incentive fees, which include carried interest) in respect of certain businesses. In addition, at the time of any sales and settlements of these financial instruments, the price Morgan Stanley ultimately realises 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 its 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 realise significant losses if extreme market events were to occur."

3. The risk factor entitled "*Holding large and concentrated positions may expose Morgan Stanley to losses."* at page 4 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

"Holding large and concentrated positions may expose Morgan Stanley to losses.

Concentration of risk may reduce revenues or result in losses in Morgan Stanley's market-making, investing, underwriting, including block trading, and lending businesses in the event of unfavourable market movements, or when market conditions are more favourable for its competitors. Morgan Stanley commits substantial amounts of capital to these businesses, which often results in its taking large positions in the securities of, or making large loans to, a particular issuer or issuers in a particular industry, country or region."

4. The risk factor entitled "*Morgan Stanley is exposed to the risk that third parties that are indebted to it will not perform their obligations."* at page 4 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

"Morgan Stanley is exposed to the risk that third parties that are indebted to it will not perform their obligations.

Morgan Stanley incurs significant credit risk exposure through its Institutional Securities business segment. This risk may arise from a variety of business activities, including, but not limited to: extending credit to clients through various lending commitments; entering into swap or other derivative contracts under which counterparties have obligations to make payments to Morgan Stanley; providing short- or long-term funding that is secured by physical or financial collateral whose value may at times be insufficient to fully cover the loan repayment amount; posting margin and/or collateral and other commitments to clearing houses, clearing agencies, exchanges, banks, securities firms and other financial counterparties; and investing and trading in securities and loan pools whereby the value of these assets may fluctuate based on realised or expected defaults on the underlying obligations or loans.

Morgan Stanley also incurs credit risk in its Wealth Management business segment lending to mainly individual investors, including, but not limited to, margin- and securities-based loans collateralised by securities, residential mortgage loans and home equity lines of credit.

Morgan Stanley's valuations related to, and reserves for losses on, credit exposures rely on complex models, estimates, and subjective judgements about the future. While Morgan Stanley believes current valuations and reserves adequately address its perceived levels of risk, future economic conditions that differ from or are more severe than forecast, inaccurate models or assumptions, or external factors such as natural disasters, could lead to inaccurate measurement of or deterioration of credit quality of its clients and borrowers and counterparties or the value of collateral and result in unexpected losses. In addition, Morgan Stanley may incur higher than anticipated credit losses in periods of market illiquidity or as a result of disputes with counterparties over the valuation of collateral during periods of economic stress. Certain of its credit exposures are concentrated by product, industry or country. Although Morgan Stanley's models and estimates account for correlations among related types of exposures, a change in the market environment for a concentrated product or an external factor impacting a concentrated industry or country may result in credit losses in excess of amounts forecast. Concentrations of credit risk are managed through the Morgan Stanley's comprehensive and global Credit Limits Framework. In addition, as a clearing member of several central counterparties, Morgan Stanley are responsible for the defaults or misconduct of its customers and could incur financial losses in the event of default by other clearing members. Although Morgan Stanley regularly reviews its credit exposures, default risk may arise from events or circumstances that are difficult to detect or foresee."

5. The risk factor entitled "*Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations***.**" at pages 4 and 5 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

"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, or unanticipated outflows of cash or collateral by customers or clients. 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 Morgan Stanley's 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 Morgan Stanley's 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 Morgan Stanley or its industry, or Morgan Stanley 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 portfolios or trading assets, to meet maturing liabilities or other obligations. 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 Morgan Stanley's results of operations, cash flows and financial condition."

6. The risk factor entitled "*Morgan Stanley's borrowing costs and access to the debt capital markets depend on its credit ratings***.**" at page 5 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

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

The cost and availability of unsecured financing generally are impacted by Morgan Stanley's long-term and short-term credit ratings. The rating agencies continue to monitor certain company specific and industry-wide factors that are important to the determination of Morgan Stanley's credit ratings. These include including governance, the level and quality of earnings, capital adequacy, liquidity and funding, risk appetite and management, asset quality, strategic direction, business mix, regulatory or legislative changes, macro-economic environment, and perceived levels of 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 over-the-counter ("OTC") and other derivative transactions, including credit derivatives and interest rate swaps. In connection with certain OTC trading agreements and certain other agreements associated with Morgan Stanley's Institutional Securities business segment, Morgan Stanley 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 Morgan Stanley 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 Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P").”

7. The risk factor entitled “*Morgan Stanley is subject to operational risks, including a failure, breach or other disruption of its operations or security systems or those of Morgan Stanley's third parties (or third parties thereof), which could adversely affect its businesses or reputation.”* at pages 6 and 7 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

*“**Morgan Stanley is subject to operational risks, including a failure, breach or other disruption of its operations or security systems or those of Morgan Stanley's third parties (or third parties thereof) as well as human error or malfeasance, which could adversely affect its businesses or reputation.***

Morgan Stanley's businesses are highly dependent on its ability to process and report, on a daily basis, a large number of transactions across numerous and diverse markets in many currencies. Morgan Stanley may introduce new products or services or change processes or reporting, including in connection with new regulatory requirements, resulting in new operational risk that Morgan Stanley may not fully appreciate or identify. The trend toward direct access to automated, electronic markets and the move to more automated trading platforms has resulted in the use of increasingly complex technology that relies on the continued effectiveness of the programming code and integrity of the data to process the trades. Morgan Stanley relies on the ability of its employees, consultants, its internal systems and systems at technology centres maintained by unaffiliated third parties to operate its different businesses and process a high volume of transactions. Additionally, Morgan Stanley is subject to complex and evolving laws and regulations governing cybersecurity, privacy and data protection, which may differ and potentially conflict, in various jurisdictions.

As a major participant in the global capital markets, Morgan Stanley faces the risk of incorrect valuation or risk management of its trading positions due to flaws in data, models, electronic trading systems or processes or due to fraud or cyber attack.

Morgan Stanley also faces the risk of operational failure or disruption of any of the clearing agents, exchanges, clearing houses or other financial intermediaries it uses to facilitate its lending, securities and derivatives transactions. In the event of a breakdown or improper operation of Morgan Stanley's or a direct or indirect third party's systems (or third parties thereof) or processes or improper or unauthorised action by third parties, including consultants and subcontractors or Morgan Stanley's employees, Morgan Stanley could suffer financial loss, an impairment to its liquidity position, a disruption of its businesses, regulatory sanctions or damage to its reputation. In addition, the interconnectivity of multiple financial institutions with central agents, exchanges and clearing houses, and the increased importance of these entities, increases the risk that an operational failure at one institution or entity may cause an industry-wide operational failure that could materially impact Morgan Stanley's ability to conduct business. Furthermore, the concentration of company and personal information held by a handful of third parties increases the risk that a breach at a key third party may cause an industry-wide data breach that could significantly increase the cost and risk of conducting business.

There can be no assurance that Morgan Stanley’s business contingency and security response plans fully mitigate all potential risks to Morgan Stanley. Morgan Stanley's ability to conduct business may be *adversely affected by a disruption in the infrastructure that supports its businesses and the communities where Morgan Stanley is located, which are concentrated in the New York metropolitan area, London, Hong Kong and Tokyo, as well as Baltimore, Glasgow, Frankfurt, Budapest and Mumbai. This may include a disruption involving physical site access, cybersecurity incidents, terrorist activities, political unrest, disease pandemics, catastrophic events, climate-related incidents and natural disasters (such as earthquakes, tornadoes, hurricanes and wildfires), electrical outage, environmental hazard, computer servers, communications or other services Morgan Stanley uses, its employees or third parties with whom Morgan Stanley conducts business.*

Although Morgan Stanley employs backup systems for its data, those backup systems may be unavailable following a disruption, the affected data may not have been backed up or may not be recoverable from the backup, or the backup data may be costly to recover, which could adversely affect Morgan Stanley's business.

Notwithstanding evolving technology and technology-based risk and control systems, Morgan Stanley's businesses ultimately rely on people, including Morgan Stanley employees and those of third parties with which Morgan Stanley conducts business. As a result of human error or engagement in violations of applicable policies, laws, rules or procedures, certain errors or violations are not always discovered immediately by Morgan Stanley's technological processes or by Morgan Stanley's controls and other procedures, which are intended to prevent and detect such errors or violations. These can include calculation errors, mistakes in addressing emails or other communications, errors in software or model development or implementation, or errors in judgment, as well as intentional efforts to disregard or circumvent applicable policies, laws, rules or procedures. Human errors and malfeasance, even if promptly discovered and remediated, can result in material losses and liabilities for Morgan Stanley.

Morgan Stanley conducts business in various jurisdictions outside the U.S., including jurisdictions that may not have comparable levels of protection for their corporate assets such as intellectual property, trademarks, trade secrets, know-how and customer information and records. The protection afforded in those jurisdictions may be less established and/or predictable than in the U.S. or other jurisdictions in which Morgan Stanley operates. As a result, there may also be heightened risks associated with the potential theft of their data, technology and intellectual property in those jurisdictions by domestic or foreign actors, including private parties and those affiliated with or controlled by state actors. Any theft of data, technology or intellectual property may negatively impact Morgan Stanley's operations and reputation, including disrupting the business activities of our subsidiaries, affiliates, joint ventures or clients conducting business in those jurisdictions."

8. The risk factor entitled "*A cyber attack, information or security breach or a technology failure could adversely affect Morgan Stanley's ability to conduct its business, manage its exposure to risk or result in disclosure or misuse of confidential or proprietary information and otherwise adversely impact its results of operations, liquidity and financial condition, as well as cause reputational harm."* at pages 7 and 8 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

"A cyber attack, information or security breach or a technology failure could adversely affect Morgan Stanley's ability to conduct its business, manage its exposure to risk or result in disclosure or misuse of confidential or proprietary information and otherwise adversely impact its results of operations, liquidity and financial condition, as well as cause reputational harm.

Morgan Stanley maintains a significant amount of personal information on its customers, clients, employees and certain counterparties that Morgan Stanley is required to protect under various state, federal and international data protection and privacy laws. These laws may be in conflict with one another, or courts and regulators may interpret them in ways that Morgan Stanley had not anticipated or that adversely affect Morgan Stanley's business.

Cybersecurity risks for financial institutions have significantly increased in recent years in part because of the proliferation of new technologies, the use of the internet, mobile telecommunications and cloud technologies to conduct financial transactions, and the increased sophistication and activities of organised crime, hackers, terrorists and other external extremist parties, including foreign state actors, in some circumstances as a means to promote political ends. In addition to the growing sophistication of certain parties, the commoditisation of cyber tools which are able to be weaponised by less sophisticated actors has led to an increase in the exploitation of technological vulnerabilities. Global events and geopolitical instability may lead to increased nation state targeting of financial institutions in the U.S. and abroad. Foreign state actors have become more sophisticated over time, increasing the risk of such an attack. Any of these parties may also attempt to fraudulently induce employees, customers, clients, vendors or other *third parties or users of Morgan Stanley's systems to disclose sensitive information in order to gain access to its data or that of Morgan Stanley's employees or clients. Cybersecurity risks may also derive from human error, fraud or malice on the part of its employees or third parties, including third party providers, or may result from accidental technological failure. In addition, third parties with whom Morgan Stanley does business, their service providers, as well as other third parties with whom Morgan Stanley's customers do business, may also be sources of cybersecurity risks, particularly where activities of customers are beyond Morgan Stanley's security and control systems. There is no guarantee that the measures Morgan Stanley takes will provide absolute security or recoverability given the techniques used in cyber attacks are complex and frequently change, and may not be able to be anticipated.*

Like other financial services firms, Morgan Stanley, its third party providers and its clients continue to be the subject of unauthorised access attacks, mishandling or misuse of information, computer viruses or malware, cyber attacks designed to obtain confidential information, destroy data, disrupt or degrade service, sabotage systems or cause other damage, denial of service attacks, data breaches and other events. There can be no assurance that such unauthorised access, mishandling or misuse of information or cyber incidents will not occur in the future, and they could occur more frequently and on a more significant scale.

A cyber attack, information or security breach or a technology failure of Morgan Stanley or of a third party could jeopardise its or its clients', employees', partners', vendors' or counterparties' personal, confidential, proprietary or other information processed and stored in, and transmitted through, its and its third parties' computer systems. Furthermore, such events could cause interruptions or malfunctions in Morgan Stanley's, its clients', employees', partners', vendors', counterparties' or third parties' operations, as well as the unauthorised release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of Morgan Stanley, its employees, its customers or of other third parties. Any of these events could result in reputational damage with Morgan Stanley's clients and the market, client dissatisfaction, additional costs to Morgan Stanley to maintain and update its operational and security systems and infrastructure, regulatory investigations, litigation or enforcement, or regulatory fines or penalties, any of which could adversely affect Morgan Stanley's business, financial condition or results of operations

Given Morgan Stanley's global footprint and the high volume of transactions Morgan Stanley processes, the large number of clients, partners, vendors and counterparties with which Morgan Stanley does business, and the increasing sophistication of cyber attacks, a cyber attack, information or security breach could occur and persist for an extended period of time without detection. Morgan Stanley expects that any investigation of a cyber attack would be inherently unpredictable and that it would take time before the completion of any investigation and before there is availability of full and reliable information. During such time Morgan Stanley would not necessarily know the extent of the harm or how best to remediate it, and certain errors or actions could be repeated or compounded before they are discovered and remediated, all or any of which would further increase the costs and consequences of a cyber attack.

While many of Morgan Stanley's agreements with partners and third party vendors include indemnification provisions, Morgan Stanley may not be able to recover sufficiently, or at all, under such provisions to adequately offset any losses Morgan Stanley may incur. In addition, although Morgan Stanley maintains insurance coverage that may, subject to policy terms and conditions, cover certain aspects of cyber and information security risks, such insurance coverage may be insufficient to cover all losses.

Morgan Stanley continues to make investments with a view toward maintaining and enhancing its cybersecurity posture. The cost of managing cyber and information security risks and attacks along with complying with new increasingly expansive and evolving regulatory requirements could adversely affect Morgan Stanley's results of operations and business."

9. The risk factors entitled "*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"* at page 12 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

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, which could result in unexpected losses.

Morgan Stanley has devoted significant resources to develop its risk management capabilities and expects *to continue to do so in the future. Nonetheless, Morgan Stanley's 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 Morgan Stanley's risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. As Morgan Stanley's 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 behaviour 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, model, 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's 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 sales 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.

10. The risk factor entitled "*Expected replacement of London Interbank Offered Rate and replacement or reform of other interest rates could adversely affect Morgan Stanley's business, financial condition and results of operations.*" at pages 8 and 9 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

*"**Planned replacement of London Interbank Offered Rate and replacement or reform of other interest rate benchmarks could adversely affect Morgan Stanley's business, financial condition and results of operations.***

*Central banks around the world, including the Federal Reserve, have commissioned working groups of market participants and official sector representatives to replace LIBOR and replace or reform other interest rate benchmarks (collectively, the "**IBORs**"). A transition away from the widespread use of such rates to alternative rates and other potential interest rate benchmark reforms has begun and will continue over the course of the next few years. For example, the United Kingdom Financial Conduct Authority ("**FCA**"), which regulates LIBOR, has announced that it has commitments from panel banks to continue to contribute to LIBOR through the end of 2021, but that it will not use its powers to compel contributions beyond such date. As a result, there is considerable uncertainty regarding the publication of LIBOR beyond 2021 and regulators globally have continued to emphasize the need for the industry to plan accordingly.*

Morgan Stanley's transition plan includes a number of key steps, including continued engagement with central bank and industry working groups and regulators (including participation and leadership on key committees), active client engagement, internal operational readiness, and risk management, among other things, to promote the transition to alternative reference rates. Morgan Stanley has established a firm-wide initiative to identify, assess and monitor risks associated with the expected discontinuation or unavailability of IBORs and/or reform of interest rate benchmarks. This includes taking steps to update operational processes (including to support alternative reference rates) and models, as well as evaluating legacy contracts for any changes that may be required, including the determination of applicable fallbacks.

The Federal Reserve Bank of New York now publishes three reference rates based on overnight U.S. Treasury repurchase agreement transactions, including the Secured Overnight Financing Rate, which had been recommended as the alternative to U.S. dollar LIBOR by the Alternative Reference Rates Committee convened by the Federal Reserve and the Federal Reserve Bank of New York. Further, the Bank of England is publishing a reformed Sterling Overnight Index Average, comprised of a broader set of overnight Sterling money market transactions, which has been selected by the Working Group on Sterling Risk-Free Reference Rates as the alternative rate to Sterling LIBOR. Central bank-sponsored committees in other *jurisdictions, including Europe, Japan and Switzerland, have selected alternative reference rates denominated in other currencies.*

The market transition away from IBORs to alternative reference rates is complex and could have a range of adverse impacts on Morgan Stanley's business, financial condition and results of operations. In particular, any such transition or reform could:

- *adversely impact the pricing, liquidity, value of, return on and trading for a broad array of financial products, including any IBOR-linked securities, loans and derivatives that are included in Morgan Stanley's financial assets and liabilities;*

- *require extensive changes to documentation that governs or references IBOR or IBOR-based products, including, for example, pursuant to time-consuming renegotiations of existing documentation to modify the terms of outstanding securities and related hedging transactions;*

- *result in a population of products with documentation that governs or references IBOR or IBOR-based products but that cannot be amended due to an inability to obtain sufficient consent from counterparties or product owners;*

- *result in inquiries or other actions from regulators in respect of Morgan Stanley's(or the market's) preparation and readiness for the replacement of an IBOR with one or more alternative reference rates;*

- *result in disputes, litigation or other actions with client, counterparties and investors, in various scenarios such as regarding the interpretation and enforceability of provisions in IBOR-based products such as fallback language or other related provisions, including in the case of fallbacks to the alternative reference rates, any economic, legal, operational or other impact resulting from the fundamental differences between the IBORs and the various alternative reference rates;*

- *require the transition and/or development of appropriate systems and analytics to effectively transition Morgan Stanley's risk management processes from IBORs to those based on one or more alternative reference rates in a timely manner, including by quantifying value and risk for various alternative reference rates, which may prove challenging given the limited history of the proposed alternative reference rates; and*

- *cause Morgan Stanley to incur additional costs in relation to any of the above factors.*

Other factors include the pace of the transition to the alternative reference rates, timing mismatches between cash and derivative markets, the specific terms and parameters for and market acceptance of any alternative reference rate market conventions for the use of any alternative reference rate in connection with a particular product (including the timing and market adoption of any conventions proposed or recommended by any industry or other group), prices of and the liquidity of trading markets for products based on alternative reference rates, and Morgan Stanley's ability to transition and develop appropriate systems and analytics for one or more alternative reference rates.

11. The risk factor entitled "*The financial services industry is subject to extensive regulation, and changes in regulation will impact Morgan Stanley's business.*" at page 10 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

*"**The financial services industry is subject to extensive regulation, and changes in regulation 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 Morgan Stanley 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.

Morgan Stanley and its employees are, or will become, subject to (among other things) wide-ranging regulation and supervision, intensive scrutiny of its businesses and any plans for expansion of those businesses, limitations on new activities, a systemic risk regime that imposes heightened capital and liquidity and funding requirements and other enhanced prudential standards, resolution regimes and resolution planning requirements, requirements for maintaining minimum amounts of total loss-absorbing *capacity ("TLAC") and external long-term debt, restrictions on activities and investments imposed by a section of the Bank Holding Company Act of 1956, as amended (the "BHC Act") added by the Dodd-Frank Act referred to as the "Volcker Rule", comprehensive derivatives regulation, market structure regulation, tax regulations, antitrust laws, trade and transaction reporting obligations, and broadened fiduciary obligations. In some areas, regulatory standards are subject to final rulemaking or transition periods or may otherwise be revised in whole or in part. Ongoing implementation of, or changes in, laws and regulations could materially impact the profitability of Morgan Stanley's businesses and the value of assets it 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 it to raise capital, including in ways that may adversely impact its shareholders or creditors. In addition, regulatory requirements that are being imposed by foreign policymakers and regulators may be inconsistent or conflict with regulations that Morgan Stanley is subject to in the U.S. and may adversely affect it. Legal and regulatory requirements continue to be subject to ongoing change, which may result in significant new costs to comply with new or revised requirements as well as to monitor for compliance on an ongoing basis."*

12. The risk factor entitled "*The application of regulatory requirements and strategies in the U.S. or other jurisdictions to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for Morgan Stanley's security holders, and subject Morgan Stanley to other restrictions.*" at pages 10 and 11 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

*"**The application of regulatory requirements and strategies in the U.S. or other jurisdictions to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for Morgan Stanley's security holders, and subject Morgan Stanley to other restrictions.***

Pursuant to the Dodd-Frank Act, Morgan Stanley is required to periodically submit to the Federal Reserve and the FDIC a 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. If the Federal Reserve and the FDIC were to jointly determine that Morgan Stanley's resolution plan submission was not credible or would not facilitate an orderly resolution, and if Morgan Stanley were unable to address any deficiencies identified by the regulators, Morgan Stanley or any of its subsidiaries may be subject to more stringent capital, leverage, or liquidity requirements or restrictions on its growth, activities, or operations, or after a two year period, Morgan Stanley may be required to divest assets or operations.

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 adequate capital and liquidity by Morgan Stanley to certain of its subsidiaries so that such subsidiaries have the resources necessary to implement the resolution strategy, and Morgan Stanley has entered into a secured amended and restated support agreement with its material entities, as defined in Morgan Stanley's resolution plan pursuant to which it would provide such capital and liquidity to such entities.

*In further development of Morgan Stanley's SPOE strategy Morgan Stanley have created a wholly owned, direct subsidiary of Morgan Stanley, Morgan Stanley Holdings LLC ("**Funding IHC**"), to serve as a resolution funding vehicle. Morgan Stanley has transferred, and has agreed to transfer on an ongoing basis, certain assets to the Funding IHC. In the event of a resolution scenario, the Morgan Stanley would will be obligated to contribute all of its material assets, that can be contributed under the terms of the amended and restated support agreement (other than shares in subsidiaries of Morgan Stanley and certain other assets) ("**Contributable Assets**") to Funding IHC. The Funding IHC would be obligated, to provide capital and liquidity, as applicable, to its material entities. The obligations of Morgan Stanley and the Funding IHC under the amended and restated support agreement are in most cases secured on a senior basis by the assets of Morgan Stanley (other than shares in subsidiaries of Morgan Stanley and certain other assets) and the assets of the Funding IHC. As a result, claims of Morgan Stanley's material entities, including the Funding IHC, against the assets of Morgan Stanley with respect to such secured assets are* *effectively senior to unsecured obligations of Morgan Stanley. Although an SPOE 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, including the provision of support to Morgan Stanley's material entities pursuant to the secured amended and restated support agreement, 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 and other resolution regimes. For example, the Federal Reserve requires top-tier bank holding companies of U.S. global systemically important banks, 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 recapitalised through the conversion of debt to equity or otherwise by imposing losses on eligible TLAC where the SPOE strategy is used. The combined implication of the SPOE resolution strategy and the TLAC requirement is that Morgan Stanley's losses will be imposed on the holders of eligible long-term debt and other forms of eligible TLAC issued by Morgan Stanley before any losses are imposed on the holders of the debt securities of Morgan Stanley's operating subsidiaries or before putting U.S. taxpayers at risk.

*In addition, certain jurisdictions, including the United Kingdom ("**U.K.**") and other European Union ("**E.U.**") jurisdictions, have implemented, or are in the process of implementing, changes to resolution regimes to provide resolution authorities with the ability to recapitalise a failing entity organised in such jurisdiction by writing down certain unsecured liabilities or converting certain unsecured liabilities into equity. Such "bail-in" powers are intended to enable the recapitalisation of a failing institution by allocating losses to its shareholders and unsecured creditors. Non-U.S. regulators are also considering requirements that certain subsidiaries of large financial institutions maintain minimum amounts of total loss-absorbing capacity that would pass losses up from the subsidiaries to Morgan Stanley and, ultimately, to security holders of Morgan Stanley in the event of failure."*

13. The risk factor entitled "*Morgan Stanley's commodities activities and investments subject it to extensive regulation, and environmental risks and regulation that may expose it to significant costs and liabilities*." at page 13 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

*"**Morgan Stanley's commodities activities and investments subject it to extensive regulation, and environmental risks and regulation that may expose it to significant costs and liabilities.***

In connection with the commodities activities in its Institutional Securities business segment, Morgan Stanley executes transactions involving the storage, transportation and market-making of several commodities, including metals, natural gas, electric power, environmental attributes and other commodity products. In addition, Morgan Stanley is an electricity power marketer in the U.S. These activities subject Morgan Stanley to extensive energy, commodities, environmental, health and safety and other governmental laws and regulations.

Although Morgan Stanley has attempted to mitigate its environmental risks by, among other measures, limiting the scope of activities involving storage and transportation, adopting appropriate policies and procedures, 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.

During the past several years, intensified scrutiny of certain energy markets by federal, state and local authorities in the U.S. and abroad and by 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, enhanced regulation of OTC derivatives markets in the U.S. and the E.U., as well as similar legislation proposed or adopted elsewhere, will impose significant costs and 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."

14. The risk factor entitled "*Uncertainties and ambiguities as to the interpretation and application of the U.S.*

Tax Cuts and Jobs Act ("Tax Act") could adversely affect Morgan Stanley" at page 14 of the Registration Document shall be deleted in its entirety.

15. The risk factor entitled "*Automated trading markets may adversely affect Morgan Stanley's business and may increase competition.*" at page 14 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

*"**Automated trading markets and the introduction and application of new technologies may adversely affect Morgan Stanley's business and may increase competition.***

Morgan Stanley has experienced intense price competition in some of its businesses in recent years. In particular, the ability to execute securities, derivatives and other financial instrument trades electronically on exchanges, swap execution facilities, other automated trading platforms and the introduction and application of new technologies has increased the pressure on bid-offer spreads, commissions, markups or comparable fees. The trend toward direct access to automated, electronic markets will likely continue and will likely increase as additional markets move to more automated trading platforms. Morgan Stanley has experienced and it is likely that it will continue to experience competitive pressures in these and other areas in the future as some of its competitors may seek to obtain market share by reducing bid-offer spreads, commissions, markups or fees."

16. The risk factor entitled "*Morgan Stanley is subject to numerous political, economic, legal, tax, operational, franchise and other risks as a result of its international operations which could adversely impact its businesses in many ways."* at page 15 of the Registration Document , shall be deleted in its entirety and the following substituted therefor:

*"**Morgan Stanley is subject to numerous political, economic, legal, tax, operational, franchise and other risks as a result of its international operations which could adversely impact its businesses in many ways.***

Morgan Stanley is subject to numerous political, economic, legal, tax, operational, franchise and other risks that are inherent in operating in many countries, including risks of possible nationalisation, 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. In many countries, the laws and regulations applicable to the securities and financial services industries are uncertain and evolving, and it may be difficult for Morgan Stanley to determine the exact requirements of local laws in every market. Morgan Stanley's inability to remain in compliance with local laws in a particular market could have a significant and negative effect not only on its business in that market but also on its reputation generally. Morgan Stanley is also subject to the risk that transactions it structures might not be legally enforceable in all cases.

Various emerging market countries have experienced severe political, economic or financial disruptions, including significant devaluations of their currencies, defaults or potential defaults on sovereign debt, capital and currency exchange controls, high rates of inflation and low or negative growth rates in their economies. Crime and corruption, as well as issues of security and personal safety, also exist in certain of these countries. These conditions could adversely impact Morgan Stanley's businesses and increase volatility in financial markets generally.

The emergence of a disease pandemic, such as the coronavirus, or other widespread health emergencies, natural disasters, terrorist activities or military actions or social or political tensions, could create economic and financial disruptions in emerging markets or in other areas of the global economy that could adversely affect Morgan Stanley's business or could lead to operational difficulties (including travel limitations) that could impair Morgan Stanley's ability to manage or conduct its businesses around the world.

As a U.S. company, Morgan Stanley is required to comply with the economic sanctions and embargo programs administered by the U.S. Treasury's Office of Foreign Assets Control and similar multi-national bodies and governmental agencies worldwide, as well as applicable anti-corruption laws in the jurisdictions in which Morgan Stanley operates, such as the U.S. Foreign Corrupt Practices Act and the United Kingdom Bribery Act. A violation of a sanction, embargo program, or anti-corruption law could subject Morgan Stanley, and individual employees, to a regulatory enforcement action as well as significant civil and criminal penalties."

17. The risk factor entitled "*The U.K.'s anticipated withdrawal from the E.U. could adversely affect Morgan*

Stanley" at pages 15 and 16 of the Registration Document , shall be deleted in its entirety and the following substituted therefor:

"The United Kingdom's withdrawal from the European Union could adversely affect Morgan Stanley

It is difficult to predict the future of the U.K.'s relationship with the E.U., the uncertainty of which may increase the volatility in the global financial markets in the short- and medium-term and may negatively disrupt regional and global financial markets. Additionally, depending on the outcome, such uncertainty may adversely affect the manner in which Morgan Stanley operates certain of its businesses in Europe.

On January 31, 2020, the U.K. withdrew from the E.U. under the terms of a withdrawal agreement between the U.K. and the E.U. The withdrawal agreement provides for a transition period to the end of December 2020, during which time the U.K. will continue to apply E.U. law as if it were a member state, and U.K. firms' passporting rights to provide financial services in E.U. jurisdictions will continue.

With respect to financial services, the withdrawal agreement provides that the U.K. and the E.U. will endeavour to conclude whether they will grant each other equivalence under European financial regulations. Equivalence would provide a degree of access to E.U. markets for U.K. financial firms, although the extent and duration of such access remains subject to negotiation.

If equivalence (or any alternative arrangement) is not agreed, Morgan Stanley's U.K. licensed entities may be unable to provide regulated services in a number of E.U. jurisdictions from the end of December 2020, absent further regulatory relief.

Potential effects of the U.K. exit from the E.U. and potential mitigation actions may vary considerably depending on the nature of the future trading arrangements between the U.K. and the E.U.

Morgan Stanley has taken steps to make changes to its European operations in an effort to ensure that it can continue to provide cross-border banking and investment and other services in E.U. member states, without the need for separate regulatory authorizations in each member state, as a result of the political uncertainty described above, it is currently unclear what the final post-Brexit structure of our European operations will be.

Given the potential negative disruption to regional and global financial markets, and depending on the extent to which Morgan Stanley may be required to make material changes to its European operations beyond those implemented or planned, our results of operations and business prospects could be negatively affected."

18. The risk factor entitled "*Morgan Stanley may be unable to fully capture the expected value from acquisitions, divestitures, joint ventures, minority stakes or strategic alliances."* at pages 16 and 17 of the Registration Document , shall be deleted in its entirety and the following substituted therefor:

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

In connection with past or future acquisitions, divestitures, joint ventures, minority stakes 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. Certain of these strategic initiatives, and integration thereof, may cause Morgan Stanley to incur incremental expenses and may also require incremental financial, management and other resources.

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 Morgan Stanley's acquisitions, divestitures or investments will be successfully integrated or disaggregated or yield all of the positive benefits and synergies 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 Morgan Stanley into contact, directly or indirectly, with individuals and entities that are not within its traditional client and counterparty base and may expose it to new asset classes, services, competitors and new markets. These business activities expose Morgan Stanley 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, or services are being delivered.

For more information regarding the regulatory environment in which Morgan Stanley operates, see also "Supervision and Regulation" on pages 2 to 9 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2019, which has been incorporated by reference into this Registration Document."

PART D – AMENDMENTS TO THE "DESCRIPTION OF MORGAN STANLEY" SECTION

The section entitled "*Description of Morgan Stanley*" at pages 32 to 62 of the Registration Document is hereby amended as follows:

1. The first paragraph under the heading "*Credit Ratings*" on page 32 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

"*Morgan Stanley has been assigned the following credit ratings:*

	Short-Term Debt	*Long-Term Debt*	*Ratings Outlook*
DBRS	*R-1 (middle)*	*A (high)*	*Stable*
Fitch	*F1*	*A*	*Negative*
Moody's	*P-2*	*A3*	*Ratings under review*
R&I	*a-1*	*A*	*Stable*
S&P	*A-2*	*BBB+*	*Stable"*

2. The paragraph beginning "*The following is an extract from*" and each of the paragraphs under the headings "*Business Segments*", "*Competition*" and "*Supervision and Regulation"* at pages 33-43 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

"The following is an extract from (i) the sections entitled "Business Segments", "Competition" and "Supervision and Regulation" on pages 1-9 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2019 and (ii) the section entitled "Regulatory Developments" on pages 25 to 27 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarter ended 31 March 2020. References to the "Parent Company", "we" and "our" are references to Morgan Stanley.

Business Segments

We are a global financial services firm that maintains significant market positions in each of our business segments— Institutional Securities, Wealth Management and Investment Management. Through our subsidiaries and affiliates, we provide a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. Additional information related to our business segments, respective clients, and products and services provided is included under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Competition

All aspects of our businesses are highly competitive, and we expect them to remain so. We compete in the U.S. and globally for clients, market share and human talent. Operating within the financial services industry on a global basis presents, among other things, technological, risk management, regulatory and other infrastructure challenges that require effective resource allocation in order for us to remain competitive. Our competitive position depends on a number of factors, including our reputation, the quality and consistency of our long-term investment performance, innovation, execution and relative pricing. Our ability to sustain or improve our competitive position also depends substantially on our ability to continue to attract and retain highly qualified employees while managing compensation and other costs. We compete with commercial banks, brokerage firms, insurance companies, exchanges, electronic trading and clearing platforms, financial data repositories, sponsors of mutual funds, hedge funds and private equity funds, energy companies, financial technology firms and other companies offering financial or ancillary services in the U.S., globally and digitally, including through the internet. In addition, restrictive laws and regulations applicable to certain financial services institutions, which may prohibit us from engaging in certain transactions and impose more stringent capital and liquidity requirements, can put us at a competitive disadvantage to competitors in certain businesses not subject to these same requirements. See also "Supervision and Regulation" herein and "Risk Factors".

Institutional Securities and Wealth Management

We compete directly in the U.S. and globally with other securities and financial services firms and broker-dealers and with others on a regional or product basis. Additionally, there is increased competition driven by established firms as well as the emergence of new firms and business models (including innovative uses *of technology) competing for the same clients and assets or offering similar products and services to customers.*

Our ability to access capital at competitive rates (which is generally impacted by our credit ratings), to commit and to deploy capital efficiently, particularly in our capital-intensive underwriting and sales, trading, financing and market-making activities, also affects our competitive position. We expect corporate clients to continue to request that we provide loans or lending commitments in connection with certain investment banking activities.

It is possible that competition may become even more intense as we continue to compete with financial or other institutions that may be larger, or better capitalized, or may have a stronger local presence and longer operating history in certain geographies or products. Many of these firms have the ability to offer a wide range of products and services, and on different platforms, that may enhance their competitive position and could result in pricing pressure on our businesses.

We continue to experience intense price competition in some of our businesses. In particular, the ability to execute securities trades electronically on exchanges and through other automated trading markets has increased the pressure on trading commissions and fees. The trend toward direct access to automated, electronic markets will likely increase as additional trading moves to more automated platforms. It is also possible that we will experience competitive pressures in these and other areas in the future as some of our competitors seek to obtain market share by reducing prices, including in the form of commissions or fees.

Investment Management

Our ability to compete successfully in the asset management industry is affected by several factors, including our reputation, investment objectives, quality of investment professionals, performance of investment strategies or product offerings relative to peers and appropriate benchmark indices, advertising and sales promotion efforts, fee levels, the effectiveness of and access to distribution channels and investment pipelines, and the types and quality of products offered. Our investment products, including alternative investment products, may compete with investments offered by other investment managers with passive investment products or who may be subject to less stringent legal and regulatory regimes than us.

Supervision and Regulation

As a major financial services firm, we are 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 we conduct our business. These include legislative and regulatory responses to the financial crisis, both in the U.S. and worldwide, including: the Dodd- Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"); risk-based capital, leverage and liquidity standards adopted or being developed by the Basel Committee on Banking Supervision ("Basel Committee"), including Basel III, and the national implementation of those standards; capital planning and stress testing requirements; and recovery and resolution regimes in the U.S. and other jurisdictions. Some areas of post-financial crisis regulation are still subject to final rulemaking, transition periods, or revisions.

We continue to monitor the changing political, tax and regulatory environment; it is likely that there will be further changes in the way major financial institutions are regulated in both the U.S. and other markets in which we operate, although it remains difficult to predict the exact impact these changes will have on our business, financial condition, results of operations and cash flows for a particular future period. We expect to remain subject to extensive supervision and regulation.

Financial Holding Company

Consolidated Supervision. We have operated as a BHC and FHC under the BHC Act since September 2008. As a BHC, we are subject to comprehensive consolidated supervision, regulation and examination by the Federal Reserve. The Federal Reserve has authority to examine, prescribe regulations and take action with respect to all of our subsidiaries. In particular, we are subject to (among other things): significantly revised and expanded regulation and supervision; intensive scrutiny of our businesses and plans for expansion of those businesses; limitations on activities; a systemic risk regime that imposes heightened capital and liquidity requirements; restrictions on activities and investments imposed by a section of the BHC Act added by the Dodd-Frank Act referred to as the "Volcker Rule"; and comprehensive derivatives regulation. In addition, the Consumer Financial Protection Bureau has primary rulemaking, enforcement and examination authority over us and our subsidiaries with respect to *federal consumer protection laws, to the extent applicable.*

Scope of Permitted Activities. The BHC Act limits the activities of BHCs and FHCs and grants the Federal Reserve authority to limit our ability to conduct activities. We must obtain the Federal Reserve's approval before engaging in certain banking and other financial activities both in the U.S. and internationally.

The BHC Act grandfathers "activities related to the trading, sale or investment in commodities and underlying physical properties," provided that we were engaged in "any of such activities as of September 30, 1997 in the U.S." and provided that certain other conditions that are within our reasonable control are satisfied. We currently engage in our commodities activities pursuant to the BHC Act grandfather exemption as well as other authorities under the BHC Act.

Activities Restrictions under the Volcker Rule. The Volcker Rule prohibits banking entities, including us and our affiliates, from engaging in certain proprietary trading activities, as defined in the Volcker Rule, subject to exemptions for underwriting, market-making-related activities, risk-mitigating hedging and certain other activities. The Volcker Rule also prohibits certain investments and relationships by banking entities with covered funds, as defined in the Volcker Rule, with a number of exemptions and exclusions. The Volcker Rule also requires that deductions be made from a BHC's Tier 1 capital for permissible investments in certain covered funds. In addition, the Volcker Rule requires banking entities to have comprehensive compliance programs reasonably designed to ensure and monitor compliance with the Volcker Rule. We have brought all of our activities and investments into conformance, subject to a June 2017 approval by the Federal Reserve for a five-year extension of the transition period to conform investments in certain legacy covered funds that are also illiquid funds. The approval covers essentially all of our non- conforming investments in, and relationships with, legacy covered funds subject to the Volcker Rule.

The federal financial regulatory agencies responsible for the Volcker Rule's implementing regulations have finalized revisions to certain elements of those regulations. The changes simplify the application of the Volcker Rule, and focus on proprietary trading and certain requirements imposed in connection with permitted market making, underwriting and risk-mitigating hedging activities. As part of the changes, the deduction for certain covered fund positions held in connection with permitted market-making and underwriting activities is no longer required. These revisions became effective on January 1, 2020. We were permitted to voluntarily comply with the revised regulations, in whole or in part, beginning on that date, with full compliance required by January 1, 2021. These revisions simplify elements of our compliance obligations and we do not expect these revisions to have a material impact on the way we conduct business under the current rule.

Capital Standards. The Federal Reserve establishes capital requirements, including well-capitalized standards, for large BHCs and evaluates our compliance with such requirements. The OCC establishes similar capital requirements and standards for Morgan Stanley Bank, N.A. ("MSBNA") and Morgan Stanley Private Bank, National Association ("MSPBNA") (collectively, our "U.S. Bank Subsidiaries").

Regulatory Capital Framework. The regulatory capital requirements for us and our U.S. Bank Subsidiaries are largely based on the Basel III capital standards established by the Basel Committee, as supplemented by certain provisions of the Dodd- Frank Act. We are subject to various risk-based capital requirements with various transition provisions, measured against our Common Equity Tier 1 capital, Tier 1 capital and Total capital bases, leverage-based capital requirements, including the SLR, and additional capital buffers above generally applicable minimum standards for BHCs.

The Basel Committee has published a comprehensive set of revisions to its Basel III Framework. The revised requirements are expected to take effect starting January 2022, subject to U.S. banking agencies issuing implementation proposals. The impact on us of any revisions to the Basel Committee's capital standards is uncertain and depends on future rulemakings by the U.S. banking agencies.

Regulated Subsidiaries. In addition, many of our regulated subsidiaries are, or are expected to be in the future, subject to regulatory capital requirements, including regulated subsidiaries registered as swap dealers with the CFTC or security-based swap dealers with the SEC (collectively, "Swaps Entities") or registered as broker-dealers or futures commission merchants. Specific regulatory capital requirements vary by regulated subsidiary, and in many cases these standards are still in proposed form, not yet effective or are subject to ongoing rulemakings that could substantially modify requirements.

For more information about the specific capital requirements applicable to us and our U.S. Bank

Subsidiaries, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources— Regulatory Requirements."

Capital Planning, Stress Tests and Capital Distributions. Pursuant to the Dodd-Frank Act, the Federal Reserve has adopted capital planning and stress test requirements for large BHCs, including Morgan Stanley. For more information about the capital planning and stress test requirements, including proposed changes to those requirements that would integrate them with certain ongoing regulatory capital requirements, see "Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources—Regulatory Requirements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Developments—Proposed Stress Buffer Requirements.

In addition to capital planning requirements, the Federal Reserve, the OCC and the FDIC have the authority to prohibit or to limit the payment of dividends by the banking organizations they supervise, including us and our U.S. Bank Subsidiaries, if, in the banking regulator's opinion, payment of a dividend would constitute an unsafe or unsound practice in light of the financial condition of the banking organization. All of these policies and other requirements could affect our ability to pay dividends and/ or repurchase stock, or require us to provide capital assistance to our U.S. Bank Subsidiaries under circumstances which we would not otherwise decide to do so.

Liquidity Standards. In addition to capital regulations, the U.S. banking agencies and the Basel Committee have adopted, or are in the process of adopting, liquidity and funding standards. We and our U.S. Bank Subsidiaries are subject to the U.S. banking agencies' LCR requirements, which generally follow Basel Committee standards. Similarly, if the proposed NSFR requirements are adopted by the U.S. banking agencies, we and our U.S. Bank Subsidiaries will become subject to NSFR requirements, which generally follow Basel Committee standards.

In addition to the LCR and NSFR, we and many of our regulated subsidiaries, including those registered as Swaps Entities with the CFTC or SEC, are, or are expected to be in the future, subject to other liquidity standards, including liquidity stress-testing and associated liquidity reserve requirements.

For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations— Liquidity and Capital Resources—Regulatory Liquidity Framework."

Systemic Risk Regime. The Dodd-Frank Act, as amended by the Economic Growth, Regulatory Relief and Consumer Protection Act ("EGRRCPA"), establishes a systemic risk regime to which certain large BHCs, including Morgan Stanley, are subject. Under rules issued by the Federal Reserve to implement certain requirements of the Dodd-Frank Act's enhanced prudential standards, such large BHCs must conduct internal liquidity stress tests, maintain unencumbered highly liquid assets to meet projected net cash outflows for 30 days over the range of liquidity stress scenarios used in internal stress tests, and comply with various liquidity risk management requirements. These large BHCs also must comply with a range of risk management and corporate governance requirements.

The Federal Reserve adopted a framework to impose single- counterparty credit limits ("SCCL") for large banking organizations, for which compliance was required by January 1, 2020. U.S. G-SIBs, including us, are subject to a limit of 15% of Tier 1 capital for aggregate net credit exposures to any "major counterparty" (defined to include other U.S. G-SIBs, foreign G- SIBs, and nonbank systemically important financial institutions supervised by the Federal Reserve). In addition, we are subject to a limit of 25% of Tier 1 capital for aggregate net credit exposures to any other unaffiliated counterparty.

The Federal Reserve has proposed rules that would create a new early remediation framework to address financial distress or material management weaknesses. The Federal Reserve also has the ability to establish additional prudential standards, including those regarding contingent capital, enhanced public disclosures and limits on short-term debt, including off-balance sheet exposures. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Regulatory Requirements—Total Loss- Absorbing Capacity, Long-Term Debt and Clean Holding Company Requirements."

Under the systemic risk regime, if the Federal Reserve or the Financial Stability Oversight Council determines that a BHC with $250 billion or more in consolidated assets poses a "grave threat" to U.S. financial stability, the institution may be, among other things, restricted in its ability to merge or offer *financial products and/or required to terminate activities and dispose of assets.*

See also "Capital Standards" and "Liquidity Standards" herein and "Resolution and Recovery Planning" below.

Resolution and Recovery Planning. Pursuant to the Dodd-Frank Act, we are required to periodically submit to the Federal Reserve and the FDIC a resolution plan that describes our strategy for a rapid and orderly resolution under the U.S. Bankruptcy Code in the event of our material financial distress or failure. Our preferred resolution strategy, which is set out in our 2019 resolution plan, is an SPOE strategy, which generally contemplates the provision of adequate capital and liquidity by the Parent Company to certain of its subsidiaries so that such subsidiaries have the resources necessary to implement the resolution strategy after the Parent Company has filed for bankruptcy.

Under a final rule issued by the Federal Reserve and the FDIC, we are now required to file resolution plans once every two years, with interim updates required in certain limited circumstances. The rule also allows us to alternate between submitting a full, detailed resolution plan and a streamlined, targeted resolution plan. Our next resolution plan submission is expected to be a targeted resolution plan in 2021. The rule also clarifies the information required to be included in our resolution plan.

Further, we submit an annual recovery plan to the Federal Reserve that outlines the steps that management could take over time to generate or conserve financial resources in times of prolonged financial stress.

Certain of our domestic and foreign subsidiaries are also subject to resolution and recovery planning requirements in the jurisdictions in which they operate. For example the FDIC requires certain insured depository institutions ("IDI"), including our U.S. Bank Subsidiaries, to submit an annual resolution plan that describes the IDI's strategy for a rapid and orderly resolution in the event of material financial distress or failure of the IDI.

In addition, certain financial companies, including BHCs such as the Firm and certain of its subsidiaries, can be subjected to a resolution proceeding under the orderly liquidation authority in Title II of the Dodd-Frank Act with the FDIC being appointed as receiver, provided that certain procedures are met, including certain extraordinary financial distress and systemic risk determinations by the U.S. Treasury Secretary in consultation with the U.S. President. The orderly liquidation authority rulemaking is proceeding in stages, with some regulations now finalized and others not yet proposed. If we were subject to the orderly liquidation authority, the FDIC would have considerable powers, including: the power to remove directors and officers responsible for our failure and to appoint new directors and officers; the power to assign our assets and liabilities to a third party or bridge financial company without the need for creditor consent or prior court review; the ability to differentiate among our creditors, including by treating certain creditors within the same class better than others, subject to a minimum recovery right on the part of disfavored creditors to receive at least what they would have received in bankruptcy liquidation; and broad powers to administer the claims process to determine distributions from the assets of the receivership. The FDIC has been developing an SPOE strategy that could be used to implement the orderly liquidation authority.

Regulators have also 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 and the OCC have established rules that impose contractual requirements on certain qualified financial contracts ("covered QFCs") to which U.S. G-SIBs, including us, and their subsidiaries including our U.S. Bank Subsidiaries, are parties (together, the "covered entities"). Under these rules, covered QFCs must expressly provide that transfer restrictions and default rights against covered entities are limited to the same extent as they would be under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Act and their implementing regulations, and they may not, among other things, permit the exercise of any cross-default right against covered entities based on an affiliate's entry into insolvency, resolution or similar proceedings, subject to certain creditor protections. The final compliance date was January 1, 2020.

For more information about our resolution plan-related submissions and associated regulatory actions, see "Risk Factors—Legal, Regulatory and Compliance Risk", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources— Regulatory Requirements—Total Loss-Absorbing Capacity, Long-Term Debt and Clean Holding Company Requirements" and "Management's Discussion and Analysis of Financial Condition and Results of

Operations—Liquidity and Capital Resources—Regulatory Requirements—Resolution and Recovery Planning."

Cyber and Information Security Risk Management and Protection of Client Information

The financial services industry faces increased global regulatory focus regarding cyber and information security risk management practices. Many aspects of our businesses are subject to cybersecurity legal and regulatory requirements enacted by U.S. federal and state governments and other non-U.S. jurisdictions in the Americas, Europe, the Middle East, Africa and Asia. These laws are aimed at codifying basic cybersecurity protections and mandating data breach notification requirements.

Our businesses are also subject to privacy and data protection information security legal requirements concerning the use and protection of certain personal information. For example, the General Data Protection Regulation ("GDPR") became effective in the E.U. on May 25, 2018 and the California Consumer Privacy Act ("CCPA") became effective on January 1, 2020. The GDPR and CCPA impose mandatory privacy and data protection obligations, including providing for individual rights, enhanced governance and accountability requirements and significant fines and litigation risk for noncompliance. In addition, other jurisdictions have adopted or are proposing GDPR or similar standards, such as Australia, Singapore, Japan, Argentina, India, Brazil, Switzerland and the Cayman Islands.

Many aspects of our businesses are subject to legal requirements concerning the use and protection of certain customer information. These include those adopted pursuant to the Gramm-Leach-Bliley Act and the Fair and Accurate Credit Transactions Act of 2003 in the U.S., the GDPR and CCPA and various laws in Asia, including the Japanese Personal Information Protection Law, the Hong Kong Personal Data (Protection) Ordinance and the Australian Privacy Act. We have adopted measures designed to comply with these and related applicable requirements in all relevant jurisdictions.

U.S. Bank Subsidiaries

U.S. Bank Subsidiaries. MSBNA, primarily a wholesale commercial bank, offers commercial lending and certain retail securities-based lending services in addition to deposit products MSPBNA offers certain mortgage and other secured lending products, including retail securities-based lending products, primarily for customers of our affiliate retail broker-dealer, Morgan Stanley Smith Barney LLC ("MSSB"). MSPBNA also offers certain deposit products and prime brokerage custody services.

Both MSBNA and MSPBNA are FDIC-insured national banks subject to supervision, regulation and examination by the OCC. They are both subject to the OCC's risk governance guidelines, which establish heightened standards for a large national bank's risk governance framework and the oversight of that framework by the bank's board of directors.

Prompt Corrective Action. The Federal Deposit Insurance Corporation Improvement Act of 1991 provides a framework for regulation of depository institutions and their affiliates, including parent holding companies, by their federal banking regulators. Among other things, it requires the relevant federal banking regulator to take prompt corrective action with respect to a depository institution if that institution does not meet certain capital adequacy standards. These regulations generally apply only to insured banks and thrifts such as MSBNA or MSPBNA and not to their parent holding companies. The Federal Reserve is, however, separately authorized to take appropriate action at the holding company level, subject to certain limitations. Under the systemic risk regime, as described above, we also would become subject to an early remediation protocol in the event of financial distress. In addition, BHCs, such as Morgan Stanley, are required to serve as a source of strength to their U.S. bank subsidiaries and commit resources to support these subsidiaries in the event such subsidiaries are in financial distress.

Transactions with Affiliates. Our U.S. Bank Subsidiaries are subject to Sections 23A and 23B of the Federal Reserve Act, which impose restrictions on covered transactions, as defined in the Federal Reserve Act, with any affiliates. Covered transactions include any extension of credit to, purchase of assets from, and certain other transactions by insured banks with an affiliate. These restrictions limit the total amount of credit exposure that our U.S. Bank Subsidiaries may have to any one affiliate and to all affiliates. Sections 23A and 23B also set collateral requirements and require all such transactions to be made on market terms. Derivative, securities borrowing and securities lending transactions between our U.S. Bank Subsidiaries and their affiliates are subject to these restrictions. The Federal Reserve has indicated that it will propose a rulemaking to implement changes to these restrictions made by the Dodd-Frank Act.

In addition, the Volcker Rule generally prohibits covered transactions between (i) us or any of our affiliates *and (ii) covered funds for which we or any of our affiliates serve as the investment manager, investment adviser, commodity trading advisor or sponsor, or other covered funds organized and offered by us or any of our affiliates pursuant to specific exemptions in the Volcker Rule. See also "Financial Holding Company— Activities Restriction under the Volcker Rule" above.*

FDIC Regulation. An FDIC-insured depository institution is generally liable for any loss incurred or expected to be incurred by the FDIC in connection with the failure of an insured depository institution under common control by the same BHC. As commonly controlled FDIC-insured depository institutions, each of MSBNA and MSPBNA could be responsible for any loss to the FDIC from the failure of the other. In addition, both institutions are exposed to changes in the cost of FDIC insurance.

Institutional Securities and Wealth Management

*Broker-Dealer and Investment Adviser Regulation. Our primary U.S. broker-dealer subsidiaries, Morgan Stanley & Co. LLC ("**MS&Co**.") and MSSB, are registered broker-dealers with the SEC and in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands, and are members of various self-regulatory organizations, including FINRA, and various securities exchanges and clearing organizations. Broker-dealers are subject to laws and regulations covering all aspects of the securities business, including sales and trading practices, securities offerings, publication of research reports, use of customers' funds and securities, capital structure, risk management controls in connection with market access, recordkeeping and retention, and the conduct of their directors, officers, representatives and other associated persons. Broker- dealers are also regulated by securities administrators in those states where they do business. Violations of the laws and regulations governing a broker-dealer's actions could result in censures, fines, the issuance of cease-and-desist orders, revocation of licenses or registrations, the suspension or expulsion from the securities industry of such broker-dealer or its officers or employees, or other similar consequences by both federal and state securities administrators. Our broker-dealer subsidiaries are also members of the Securities Investor Protection Corporation, which provides certain protections for customers of broker-dealers against losses in the event of the insolvency of a broker-dealer.*

MSSB is also a registered investment adviser with the SEC. MSSB's relationship with its investment advisory clients is subject to the fiduciary and other obligations imposed on investment advisers under the Investment Advisers Act of 1940, and the rules and regulations promulgated thereunder as well as various state securities laws. These laws and regulations generally grant the SEC and other supervisory bodies broad administrative powers to address non-compliance, including the power to restrict or limit MSSB from carrying on its investment advisory and other asset management activities. Other sanctions that may be imposed include the suspension of individual employees, limitations on engaging in certain activities for specified periods of time or for specified types of clients, the revocation of registrations, other censures and significant fines. The Firm is subject to various regulations that affect broker- dealer sales practices and customer relationships. For example, the SEC has released a package of final rules and interpretations relating to the provision of advice by broker-dealers and investment advisers. The package includes new rules on the standards of conduct and required disclosures for broker-dealers when making securities-related recommendations to retail investors, and a new formal interpretation of the fiduciary duty owed by investment advisers. One of the final rules, entitled "Regulation Best Interest," requires broker-dealers to act in the "best interest" of retail customers at the time a recommendation is made without placing the financial or other interests of the broker-dealer ahead of the interest of the retail customer. Another new rule requires that both broker-dealers and investment advisers provide to retail investors a brief summary document containing information about the relationship between the parties ("Form CRS"). The compliance date for Regulation Best Interest and Form CRS is June 30, 2020. Certain states have enacted laws or rules, or are considering laws or rules, subjecting broker-dealers to a fiduciary duty when dealing with retail customers under a variety of circumstances.

Margin lending by broker-dealers is regulated by the Federal Reserve's restrictions on lending in connection with customer and proprietary purchases and short sales of securities, as well as securities borrowing and lending activities. Broker-dealers are also subject to maintenance and other margin requirements imposed under FINRA and other self-regulatory organization rules. In many cases, our broker-dealer subsidiaries' margin policies are more stringent than these rules.

As registered U.S. broker-dealers, certain of our subsidiaries are subject to the SEC's net capital rule and the net capital requirements of various exchanges, other regulatory authorities and self-regulatory organizations. These rules are generally designed to measure the broker-dealer subsidiary's general financial integrity and/or liquidity and require that at least a minimum amount of net and/or liquid assets

be maintained by the subsidiary. See also "Financial Holding Company— Consolidated Supervision" and "Financial Holding Company
—Liquidity Standards" above. Rules of FINRA and other self- regulatory organizations also impose limitations and requirements on the transfer of member organizations' assets.

Research. Research-related regulations have been implemented in many jurisdictions, including in the U.S., where FINRA has adopted rules that cover research relating to both equity and debt securities. Regulators continue to focus on research conflicts of interest and may impose additional regulations. See also "Business—Supervision and Regulation
—Non-U.S. Regulation" herein.

<u>Regulation of Futures Activities and Certain Commodities Activities.</u> MS&Co., as a futures commission merchant, and MSSB, as an introducing broker, are subject to net capital requirements of, and certain of their activities are regulated by, the CFTC, the NFA, the Joint Audit Committee (including the Chicago Mercantile Exchange & Chicago Board of Trade ("CME Group") in its capacity as MS&Co.'s designated self- regulatory organization), and various commodity futures exchanges. MS&Co. and MSSB and certain of their affiliates are registered with the CFTC and are members of the NFA in various capacities. Rules and regulations of the CFTC, NFA, the Joint Audit Committee (including the CME Group) and commodity futures exchanges address obligations related to, among other things, customer protections, the segregation of customer funds and the holding of secured amounts, the use by futures commission merchants of customer funds, the margining of customer accounts and documentation entered into by futures commission merchants with their customers, recordkeeping and reporting obligations of futures commission merchants and introducing brokers, risk disclosure, risk management and discretionary trading.

Our commodities activities are subject to extensive and evolving energy, commodities, environmental, health and safety, and other governmental laws and regulations in the U.S. and abroad. Intensified scrutiny of certain energy markets by U.S. federal, state and local authorities in the U.S. and abroad and by the public has resulted in increased regulatory and legal enforcement and remedial proceedings involving companies conducting the activities in which we are engaged.

Derivatives Regulation. The commodity futures, commodity options and swaps industry in the U.S. is subject to regulation under the U.S. Commodity Exchange Act ("CEA"). The CFTC is the U.S. federal agency charged with the administration of the CEA. In addition, the SEC is the U.S. federal agency charged with the regulation of security-based swaps. The rules and regulations of various self-regulatory organizations also govern derivatives.

Under the U.S. regulatory regime for swaps and security-based swaps (collectively, "Swaps") implemented pursuant to the Dodd-Frank Act, we are subject to comprehensive regulation of our derivatives businesses, including regulations that impose margin requirements, public and regulatory reporting, central clearing and mandatory trading on regulated exchanges or execution facilities for certain types of Swaps.

CFTC rules require registration of swap dealers, mandatory clearing and execution of interest rate and certain credit default swaps and real-time public reporting and adherence to business conduct standards for all in-scope Swaps. We also anticipate that the CFTC will adopt capital requirements for swap dealers and major swap participants that are not subject to the capital rules of a prudential regulator. We have registered a number of U.S. and non U.S. CFTC swap dealers.

SEC rules govern the registration and regulation of security- based swap dealers. Though compliance with a number of these rules is not expected to be required until 2021, they will trigger numerous obligations for entities that register as security-based swap dealers, including capital, margin and segregation requirements. We anticipate registering one or more entities as a security-based swap dealer.

The specific parameters of some of these requirements for Swaps have been and continue to be developed through CFTC, SEC and bank regulator rulemakings. For example, the rules for variation margin are presently effective, and those for initial margin will continue to phase-in based on activity levels of the swap dealer and the relevant counterparty with the final phase currently expected to occur in September 2021, subject to finalization of various proposed rule makings by the CFTC and bank regulators. Margin rules with the same or similar compliance dates have been adopted or are in the process of being finalized by regulators outside the U.S., and certain of our subsidiaries may be subject to such rules.

Although a significant number of areas within the global derivatives regulatory framework have been *finalized, additional changes are expected. As the derivatives regulatory framework continues to evolve, we expect to continue to face increased costs and regulatory oversight. Complying with registration and other regulatory requirements has required, and is expected to require in the future, systems and other changes to our derivatives businesses. Compliance with Swaps-related regulatory capital requirements may also require us to devote more capital to our businesses that engage in swaps. Our Institutional Securities and Wealth Management business segments activities are also regulated in jurisdictions outside the U.S. See "Non-U.S. Regulation" herein.*

Investment Management

Many of the subsidiaries engaged in our asset management activities are registered as investment advisers with the SEC. Many aspects of our asset management activities are also subject to federal and state laws and regulations primarily intended to benefit the investor or client. These laws and regulations generally grant supervisory agencies and bodies broad administrative powers, including the power to limit or restrict us from carrying on our asset management activities in the event that we fail to comply with such laws and regulations. Sanctions that may be imposed for such failure include the suspension of individual employees, limitations on our engaging in various asset management activities for specified periods of time or specified types of clients, the revocation of registrations, other censures and significant fines. Morgan Stanley Distribution, Inc., a U.S. broker-dealer subsidiary, acts as distributor to the Morgan Stanley mutual funds and as placement agent to certain private investment funds managed by our Investment Management business segment.

Our asset management activities are subject to certain additional laws and regulations, including, but not limited to, additional reporting and recordkeeping requirements (including with respect to clients that are private funds) and restrictions on sponsoring or investing in, or maintaining certain other relationships with, covered funds, as defined in the Volcker Rule, subject to certain limited exemptions. See also "Financial Holding Company—Activities Restrictions under the Volcker Rule."

In addition, certain of our affiliates are registered as commodity trading advisors and/or commodity pool operators, or are operating under certain exemptions from such registration pursuant to CFTC rules and other guidance, and have certain responsibilities with respect to each pool they advise. Violations of the rules of the CFTC, the NFA or the commodity exchanges could result in remedial actions, including fines, registration restrictions or terminations, trading prohibitions or revocations of commodity exchange memberships. See also "Institutional Securities and Wealth Management—Broker-Dealer and Investment Adviser Regulation," "Institutional Securities and Wealth Management—Regulation of Futures Activities and Certain Commodities Activities," and "Institutional Securities and Wealth Management—Derivatives Regulation" above and "Non-U.S. Regulation," below for a discussion of other regulations that impact our Investment Management business activities, including MiFID II.

Non-U.S. Regulation

All of our businesses are regulated extensively by non-U.S. regulators, including governments, securities exchanges, commodity exchanges, self-regulatory organizations, central banks and regulatory bodies, especially in those jurisdictions in which we maintain an office. Certain regulators have prudential, business conduct and other authority over us or our subsidiaries, as well as powers to limit or restrict us from engaging in certain businesses or to conduct administrative proceedings that can result in censures, fines, the issuance of cease-and-desist orders, or the suspension or expulsion of a regulated entity or its affiliates.

Some of our subsidiaries are regulated as broker-dealers, investment advisers or other types of regulated entities under the laws of the jurisdictions in which they operate. Subsidiaries engaged in banking and trust activities and advisory activities outside the U.S. are regulated by various government agencies in the particular jurisdiction where they are chartered, incorporated and/or conduct their business activity. For instance, the PRA, the U.K. Financial Conduct Authority ("FCA") and several securities and futures exchanges in the U.K., including the London Stock Exchange and ICE Futures Europe, regulate our activities in the U.K.; the Bundesanstalt für Finanzdienstleistungsaufsicht (the Federal Financial Supervisory Authority) and the Deutsche Börse AG regulate certain of our activities in the Federal Republic of Germany; the European Central Bank supervises certain subsidiaries in our post-Brexit structure; the Financial Services Agency, the Securities and Exchange Surveillance Commission, the Bank of Japan, the Japan Securities Dealers Association and several Japanese securities and futures exchanges and ministries regulate our activities in Japan; the Securities and Futures Commission of Hong Kong, the Hong Kong Monetary Authority and the Hong Kong Exchanges and Clearing Limited regulate our business in Hong Kong; and the Monetary Authority of Singapore and the Singapore Exchange Limited regulate our business in Singapore; other similar *bodies regulate our activities in Ireland, China, Korea, Australia, India and other countries.*

Our largest non-U.S. entity, MSIP, is subject to extensive regulation and supervision by the PRA, which has broad legal authority to establish prudential and other standards applicable to MSIP that seek to ensure its safety and soundness and to minimize adverse effects on the stability of the U.K. financial system. MSIP is also regulated and supervised by the FCA with respect to business conduct matters.

Non-U.S. policymakers and regulators, including the European Commission and European Supervisory Authorities (among others, the European Banking Authority and the European Securities and Markets Authority), continue to propose and adopt numerous reforms, including those that may further impact the structure of banks or subject us to new prudential requirements, and to formulate regulatory standards and measures that will be of relevance and importance to our European operations.

In June 2019, the European Commission published a package of reforms including various risk reduction measures. These include amendments to the Capital Requirements Directive and Regulation providing updates to risk-based capital, liquidity (including introducing a net stable funding ratio), leverage and other prudential standards on a consolidated basis that are consistent with final Basel standards. In addition, the reforms will require certain large, non-E.U. financial groups with two or more financial subsidiaries established in the E.U. to establish an E.U. IHC. The E.U. IHC will be subject to direct supervision and authorization by the European Central Bank or the relevant national E.U. regulator. Further amendments to the E.U. bank recovery and resolution regime under the E.U. Bank Recovery and Resolution Directive ("BRRD") were also published.

The amendments to the BRRD build on previous proposals by regulators in the U.K., E.U. and other major jurisdictions to finalize recovery and resolution planning frameworks and related regulatory requirements that will apply to certain of our subsidiaries that operate in those jurisdictions. For instance, the BRRD established a recovery and resolution framework for E.U. credit institutions and investment firms, including MSIP (under the U.K. version of the BRRD which is expected to be adopted after the Brexit transition period). In addition, certain jurisdictions, including the U.K. and other E.U. jurisdictions, have implemented, or are in the process of implementing, changes to resolution regimes to provide resolution authorities with the ability to recapitalize a failing entity organized in such jurisdictions by reducing certain unsecured liabilities or converting certain unsecured liabilities into equity.

Regulators in the U.K., E.U. and other major jurisdictions have also finalized other regulatory standards applicable to certain of our subsidiaries that operate in those jurisdictions. For instance, the European Market Infrastructure Regulation introduced requirements regarding the central clearing and reporting of derivatives, as well as margin requirements for uncleared derivatives. MiFID II introduced comprehensive and new trading and market infrastructure reforms in the E.U., including new trading venues, enhancements to pre- and post-trading transparency, additional investor protection requirements, and requirements relating to the unbundling of research and execution services among others, and we have had to make extensive changes to our operations, including systems and controls in order to comply with MiFID II.

Financial Crimes Program

Our Financial Crimes program is coordinated on an enterprise- wide basis and supports our financial crime prevention efforts across all regions and business units with responsibility for governance, oversight and execution of our AML, economic sanctions ("Sanctions") and anti-corruption programs.

In the U.S., the Bank Secrecy Act, as amended by the USA PATRIOT Act of 2001, imposes significant obligations on financial institutions to detect and deter money laundering and terrorist financing activity, including requiring banks, BHCs and their subsidiaries, broker-dealers, futures commission merchants, introducing brokers and mutual funds to implement AML programs, verify the identity of customers that maintain accounts, and monitor and report suspicious activity to appropriate law enforcement or regulatory authorities. Outside the U.S., applicable laws, rules and regulations similarly require designated types of financial institutions to implement AML programs.

We have implemented policies, procedures and internal controls that are designed to comply with all applicable AML laws and regulations. Regarding Sanctions, we have implemented policies, procedures and internal controls that are designed to comply with the regulations and economic sanctions programs administered by the U.S. Treasury's Office of Foreign Assets Control ("OFAC"), which target foreign countries, entities and individuals based on external threats to U.S. foreign policy, national security or economic interests, and to comply, as applicable, with similar sanctions programs imposed by foreign governments or global or regional multilateral organizations such as the United Nations Security Council and *the E.U. Council.*

We are also subject to applicable anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, in the jurisdictions in which we operate. Anti-corruption laws generally prohibit offering, promising, giving or authorizing others to give anything of value, either directly or indirectly, to a government official or private party in order to influence official action or otherwise gain an unfair business advantage, such as to obtain or retain business. We have implemented policies, procedures and internal controls that are designed to comply with such laws, rules and regulations.

Regulatory Developments

Stress Capital Buffer Final Rule

*The Federal Reserve has adopted a final rule to integrate its annual capital planning and stress testing requirements with existing applicable regulatory capital requirements. The final rule, which applies to certain BHCs, including us, introduces a stress capital buffer ("**SCB**") and related changes to the capital planning and stress testing processes.*

The SCB applies only with respect to Standardized Approach risk-based capital requirements and replaces the existing Common Equity Tier 1 capital conservation buffer, which is 2.5%. The SCB is the greater of (i) the maximum decline in our Common Equity Tier 1 capital ratio under the severely adverse scenario over the supervisory stress test measurement period plus the sum of the four quarters of planned common stock dividends divided by the projected RWAs from the quarter in which the Firm's projected Common Equity Tier 1 capital ratio reaches its minimum in the supervisory stress test and (ii) 2.5%. Risk-based regulatory capital requirements under the Standardized Approach will include the SCB, as summarized above, as well as our Common Equity Tier 1 GSIB capital surcharge and any applicable Common Equity Tier 1 CCyB.

The final rule makes related changes to capital planning and stress testing processes for BHCs subject to the SCB. In particular, the supervisory stress test will assume that BHCs generally maintain a constant level of assets and RWAs throughout the projection period. In addition, the supervisory stress test will no longer assume that BHCs make all planned capital distributions, although the SCB will incorporate the dollar amount of four quarters of planned common stock dividends, as summarized above.

The final rule does not change regulatory capital requirements under the Advanced Approach, the Tier 1 leverage ratio or the SLR.

The Firm's initial SCB will be based on the results of the 2020 CCAR supervisory stress test which the Federal Reserve is expected to publish by June 30, 2020. The SCB will take effect on October 1, 2020 and will remain in effect until September 30, 2021, and will be updated annually thereafter based on the results of the annual CCAR supervisory stress test, with a revised SCB taking effect on October 1 each year.

Upon receipt of the SCB, we will evaluate whether to update our Required Capital framework to take into account any changes in our risk-based capital requirements that result from the SCB.

The SCB final rule also includes a transitional arrangement for the third quarter of 2020. Between July 1, 2020 and September 30, 2020, the Firm will be authorized to make capital distributions that do not exceed the four-quarter average of capital distributions for which the Federal Reserve indicated its non-objection in the 2019 capital plan cycle, unless otherwise determined by the Federal Reserve.

Revisions to Definition of Eligible Retained Income

The U.S. banking agencies have adopted an interim final rule amending the definition of eligible retained income in their respective capital rules. As amended, eligible retained income is defined by the Federal Reserve as the greater of (i) net income for the four preceding calendar quarters, net of any distributions and associated tax effects not already reflected in net income, and (ii) the average of net income over the preceding four quarters. This definition applies with respect to any payout restrictions applicable in the event of a breach of any regulatory capital buffers, including any applicable CCyB, G-SIB capital surcharge, capital conservation buffer, the enhanced SLR and, once effective, SCB, which replaces the capital conservation buffer under the Standardized Approach. The interim final rule became effective March 20, 2020.

Separately, the Federal Reserve has adopted an interim final rule amending the definition of eligible retained income under its TLAC rule to be consistent with the revised definition of eligible retained income in the regulatory capital framework, as summarized above. The interim final rule became effective March 26, 2020.

Regulatory Capital and Stress Testing Developments Related to Implementation of CECL

The U.S. banking agencies have adopted an interim final rule altering, for purposes of the regulatory capital and TLAC requirements, the required adoption time period for CECL. Under the interim final rule, banking organizations that implement the new accounting standard before the end of 2020 may elect to follow the three-year transition available under a prior rule or a new five-year transition. This five-year transition involves a two-year delay in recognizing the effects on regulatory capital of the new accounting standard, followed by a three-year transition period during which the electing organization phases out the aggregate capital effects of the two-year delay. The interim final rule became effective March 27, 2020. We have elected to implement the five-year transition for recognizing the potentially adverse effects of the adoption of CECL.

*In addition, pursuant to the Coronavirus Aid, Relief, and Economic Security Act (the "**CARES Act**"), banking organizations are not required to comply with CECL, for purposes of U.S. GAAPaccounting, until the earlier of the end of the COVID-19 national emergency declared by the President of the United States on March 15, 2020 under the National Emergencies Act or December 31, 2020. We have not elected to delay our compliance with CECL for purposes of U.S. GAAP accounting.*

Regulatory Developments in Response to COVID-19

In the United States, the Federal Reserve, the other U.S. state and federal financial regulatory agencies and Congress have taken actions to mitigate disruptions to economic activity and financial stability resulting from COVID-19.

Federal Reserve Actions

The Federal Reserve has established, or has taken steps to establish, a range of facilities and programs to support the U.S. economy and U.S. marketplace participants in response to economic disruptions associated with COVID-19. Through these facilities and programs, the Federal Reserve has taken steps to directly or indirectly purchase assets or debt instruments from, or make loans to, U.S. companies, financial institutions, municipalities and other market participants.

In addition, the Federal Reserve has taken a range of other actions to support the flow of credit to households and businesses. For example, on March 15, 2020, the Federal Reserve reduced the target range for the federal funds rate to 0 to 0.25% and announced that it would increase its holdings of U.S. Treasury securities and agency mortgage-backed securities and begin purchasing agency commercial mortgage-backed securities. The Federal Reserve has also encouraged depository institutions to borrow from the discount window and has lowered the primary credit rate for such borrowings by 150 basis points to 0.25% while extending the term of such loans up to 90 days. In addition, effective March 26, 2020, reserve requirements have been reduced to zero.

Acting in concert with the other U.S. banking agencies, the Federal Reserve has also issued statements encouraging banking organizations to use their capital and liquidity buffers as they lend to households and businesses affected by COVID-19. To facilitate banking organizations' use of their capital buffers, the Federal Reserve has revised the definition of eligible retained income applicable in the capital and TLAC frameworks. Additionally, the Federal Reserve has adopted an interim final rule that temporarily excludes U.S. Treasury securities and deposits at Federal Reserve Banks from the calculation of our supplementary leverage exposure used in the SLR. For a further discussion about the revised definition of eligible retained income and changes to the SLR calculation, see "Revisions to Definition of Eligible Retained Income" and "Supplementary Leverage Ratio Interim Final Rule," respectively, herein.

Further, the Federal Reserve along with the other U.S. banking agencies, issued guidance stating that granting certain concessions to borrowers that are current on existing loans, either individually or as part of a program for creditworthy borrowers who are experiencing short-term financial or operational problems as a result of the coronavirus pandemic, generally would not be considered TDRs under applicable U.S. GAAP. This guidance also clarifies that efforts to work with borrowers of one-to-four family residential mortgages impacted by the COVID-19 pandemic and meeting certain criteria will not result in such loans being deemed restructured or modified for purposes of U.S. Basel III, and will therefore not be subject to higher regulatory capital requirements.

As of March 31, 2020, we have participated in the PDCF, which provides liquidity to primary dealers through a secured lending facility, and, following the Federal Reserve's statement encouraging banks to use its discount window, we have accessed the discount window. While we continue to assess, we may participate in other of these facilities and programs, including on behalf of clients.

Non-U.S. Central Bank Actions

In addition to actions taken by the Federal Reserve, many non-U.S. central banks have announced similar facilities and programs in response to the economic and market disruptions associated with COVID-19. Firm subsidiaries operating in non-U.S. markets may participate, or perform customer facilitation roles, in such non-U.S. facilities or programs.

The CARES Act

The CARES Act was signed into law on March 27, 2020. Pursuant to the CARES Act, the U.S. Treasury has the authority to provide loans, guarantees and other investments in support of eligible businesses, states and municipalities affected by the economic effects of COVID-19. Some of these funds may also be used to support the several Federal Reserve programs and facilities described in "Federal Reserve Actions" previously or additional programs or facilities that are established by the Federal Reserve under its Section 13(3) authority and meet certain criteria. Among other provisions, the CARES Act also includes funding for the Small Business Administration to expand lending, relief from certain U.S. GAAP requirements to allow COVID-19-related loan modifications to not be categorized as TDRs and a range of incentives to encourage deferment, forbearance or modification of consumer credit and mortgage contracts.

The CARES Act also includes several measures that will temporarily adjust existing laws or regulations. These include providing the FDIC with additional authority to guarantee the deposits of solvent insured depository institutions held in noninterest-bearing business transaction accounts to a maximum amount specified by the FDIC, reinstating the FDIC's Temporary Liquidity Guarantee Authority to guarantee debt obligations of solvent insured depository institutions or depository institution holding companies, temporarily allowing the U.S. Treasury to fully guarantee money market mutual funds and granting additional authority to the OCC to provide certain exemptions to the lending limits imposed on national banks.

Supplementary Leverage Ratio Interim Final Rule

In response to the COVID-19 pandemic, the Federal Reserve has adopted an interim final rule that excludes, on a temporary basis, U.S. Treasury securities and deposits at Federal Reserve Banks from our SLR exposure measure from April 1, 2020 to March 31, 2021. This interim final rule does not amend our U.S. Bank Subsidiaries' SLR requirements.

Other Matters

U.K. Withdrawal from the E.U.

On January 31, 2020, the U.K. withdrew from the E.U. under the terms of a withdrawal agreement between the U.K. and the E.U. The withdrawal agreement provides for a transition period to the end of December 2020, during which time the U.K. will continue to apply E.U. law as if it were a member state, and U.K. firms' rights to provide financial services in E.U. member states will continue. Access to the E.U. market after the transition period remains subject to negotiation.

We have prepared the structure of our European operations for a range of potential outcomes, including for the possibility that U.K. financial firms' access to E.U. markets after the transition period is limited, and we expect to be able to continue to serve our clients and customers under each of these potential outcomes.

For further information regarding our exposure to the U.K., see also "Quantitative and Qualitative Disclosures about Risk—Country and Other Risks."

Planned Replacement of London Interbank Offered Rate and Replacement or Reform of Other Interest Rates

Central banks around the world, including the Federal Reserve, have commissioned committees and working groups of market participants and official sector representatives to replace LIBOR and replace or reform other interest rate benchmarks (collectively, the "IBORs"). Accordingly, we have established and are undertaking a Firmwide IBOR transition plan to promote the transition to alternative reference rates, which takes into account the considerable uncertainty regarding the availability of LIBOR beyond 2021.

For a further discussion of the expected replacement of the IBORs and/or reform of interest rate benchmarks, and the related risks and our transition plan, see "Management's Discussion and Analysis of Financial Condition and Results of Operations— Liquidity and Capital Resources—Regulatory Requirements— Other Matters" at page 56 of the 2019 Form 10-K.

3. The first paragraph under the heading "*Principal Markets*" at page 44 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

"Morgan Stanley is a global financial services firm that, through its subsidiaries and affiliates, advises, and originates, trades, manages and distributes capital for, governments, institutions and individuals. Morgan Stanley conducts its business from its headquarters in and around New York City, its regional offices and branches throughout the U.S. and its principal offices in London, Tokyo, Hong Kong and other world financial centres. As of 31 March 2020, Morgan Stanley had 60,670 employees worldwide."

4. The paragraph under the heading "*Structure of the Group*" at page 44 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

"Structure of the Group

For information relating to the structure of the Morgan Stanley Group and for the list of certain subsidiaries as at 31 December 2019 see the section entitled "Subsidiaries of Morgan Stanley as of 31 December 2019" below.

5. Each of sub-sections (i), (ii), (iii) and (iv) under the heading "*Legal Proceedings*" at pages 51 to 58 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

(i) *The following is an extract from the section entitled "Legal Proceedings" on pages 159-163 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2018. References in this extract to "the Firm", "we" and "our" are references to Morgan Stanley together with its consolidated subsidiaries.*

In addition to the matters described below, in the normal course of business, the Firm has been named, from time to time, as a defendant in various legal actions, including arbitrations, class actions and other litigation, arising in connection with its activities as a global diversified financial services institution. Certain of the actual or threatened legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. In some cases, the entities that would otherwise be the primary defendants in such cases are bankrupt or are in financial distress.

The Firm is also involved, from time to time, in other reviews, investigations and proceedings (both formal and informal) by governmental and self-regulatory agencies regarding the Firm's business, and involving, among other matters, sales and trading activities, financial products or offerings sponsored, underwritten or sold by the Firm, and accounting and operational matters, certain of which may result in adverse judgments, settlements, fines, penalties, injunctions or other relief.

The Firm contests liability and/or the amount of damages as appropriate in each pending matter. Where available information indicates that it is probable a liability had been incurred at the date of the financial statements and the Firm can reasonably estimate the amount of that loss, the Firm accrues the estimated loss by a charge to income. The Firm's future legal expenses may fluctuate from period to period, given the current environment regarding government investigations and private litigation affecting global financial services firms, including the Firm.

In many proceedings and investigations, however, it is inherently difficult to determine whether any loss is probable or even possible, or to estimate the amount of any loss. The Firm cannot predict with certainty if, how or when such proceedings or investigations will be resolved or what the eventual settlement, fine, penalty or other relief, if any, may be, particularly for proceedings and investigations where the factual record is being developed or contested or where plaintiffs or government entities seek substantial or indeterminate damages, restitution, disgorgement or penalties. Numerous issues may need to be resolved, including through potentially lengthy discovery and determination of important factual matters, determination of issues related to class certification and the calculation of damages or other relief, and by addressing novel or unsettled legal questions relevant to the proceedings or investigations in question, before a loss or additional loss or range of *loss or additional range of loss can be reasonably estimated for a proceeding or investigation. Subject to the foregoing, the Firm believes, based on current knowledge and after consultation with counsel, that the outcome of such proceedings and investigations will not have a material adverse effect on the financial condition of the Firm, although the outcome of such proceedings or investigations could be material to the Firm's operating results and cash flows for a particular period depending on, among other things, the level of the Firm's revenues or income for such period.*

While the Firm has identified below certain proceedings that the Firm believes to be material, individually or collectively, there can be no assurance that additional material losses will not be incurred from claims that have not yet been asserted or are not yet determined to be material.

Residential Mortgage and Credit Crisis Related Matters

*On July 15, 2010, China Development Industrial Bank ("**CDIB**") filed a complaint against the Firm, styled China Development Industrial Bank v. Morgan Stanley & Co. Incorporated et al., which is pending in the Supreme Court of the State of New York, New York County ("**Supreme Court of NY**"). The complaint relates to a $275 million CDS referencing the super senior portion of the STACK 2006-1 CDO. The complaint asserts claims for common law fraud, fraudulent inducement and fraudulent concealment and alleges that the Firm misrepresented the risks of the STACK 2006-1 CDO to CDIB, and that the Firm knew that the assets backing the CDO were of poor quality when it entered into the CDS with CDIB. The complaint seeks compensatory damages related to the approximately $228 million that CDIB alleges it has already lost under the CDS, rescission of CDIB's obligation to pay an additional $12 million, punitive damages, equitable relief, pre- and post-judgment interest, fees and costs. On February 28, 2011, the court denied the Firm's motion to dismiss the complaint. On December 21, 2018, the court denied the Firm's motion for summary judgment and granted in part the Firm's motion for sanctions related to the spoliation of evidence. On January 18, 2019, CDIB filed a motion to clarify and resettle the portion of the court's December 21, 2018 order granting spoliation sanctions. On January 24, 2019, CDIB filed a notice of appeal from the court's December 21, 2018 order, and on January 25, 2019, the Firm filed a notice of appeal from the same order. On March 7, 2019, the court denied the relief that CDIB sought in a motion to clarify and resettle the portion of the court's December 21, 2018 order granting spoliation sanctions. On December 5, 2019, the Appellate Division, First Department ("First Department") heard the parties' cross-appeals.*

On May 17, 2013, plaintiff in IKB International S.A. in Liquidation, et al. v. Morgan Stanley, et al. filed a complaint against the Firm and certain affiliates in the Supreme Court of NY. The complaint alleges that defendants made material misrepresentations and omissions in the sale to plaintiff of certain mortgage pass-through certificates backed by securitization trusts containing residential mortgage loans. The total amount of certificates allegedly sponsored, underwritten and/or sold by the Firm to plaintiff was approximately $133 million. The complaint alleges causes of action against the Firm for common law fraud, fraudulent concealment, aiding and abetting fraud, and negligent misrepresentation, and seeks, among other things, compensatory and punitive damages. On October 29, 2014, the court granted in part and denied in part the Firm's motion to dismiss. All claims regarding four certificates were dismissed. After these dismissals, the remaining amount of certificates allegedly issued by the Firm or sold to plaintiff by the Firm was approximately $116 million. On August 11, 2016, the First Department affirmed the trial court's order denying in part the Firm's motion to dismiss the complaint.

On July 2, 2013, Deutsche Bank, in its capacity as trustee, became the named plaintiff in Federal Housing Finance Agency, as Conservator for the Federal Home Loan Mortgage Corporation, on behalf of the Trustee of the Morgan Stanley ABS Capital I Inc. Trust, Series 2007-NC1 (MSAC 2007-NC1) v. Morgan Stanley ABS Capital I Inc., and filed a complaint in the Supreme Court of NY styled Deutsche Bank National Trust Company, as Trustee for the Morgan Stanley ABS Capital I Inc. Trust, Series 2007-NC1 v. Morgan Stanley ABS Capital I, Inc. On February 3, 2014, the plaintiff filed an amended complaint, which asserts claims for breach of contract and breach of the implied covenant of good faith and fair dealing and alleges, among other things, that the loans in the trust, which had an original principal balance of approximately $1.25 billion, breached various representations and warranties. The amended complaint seeks, among other relief, specific performance of the loan breach remedy procedures in the transaction documents, unspecified damages, rescission and interest. On April 12, 2016, the court granted in part and denied in part the Firm's motion to dismiss the amended complaint, dismissing all claims except a single claim alleging failure to notify, regarding which the motion was denied without prejudice. On December 9, 2016, the Firm renewed its motion to dismiss that notification claim. On January 17, 2017, the First Department affirmed *the lower court's April 12, 2016 order. On April 13, 2017, the First Department denied plaintiff's motion for leave to appeal to the Court of Appeals. On March 8, 2018, the trial court denied the Firm's renewed motion to dismiss the notification claims.*

On July 8, 2013, U.S. Bank National Association, in its capacity as trustee, filed a complaint against the Firm styled U.S. Bank National Association, solely in its capacity as Trustee of the Morgan Stanley Mortgage Loan Trust 2007-2AX (MSM 2007-2AX) v. Morgan Stanley Mortgage Capital Holdings LLC, Successor-by-Merger to Morgan Stanley Mortgage Capital Inc. and GreenPoint Mortgage Funding, Inc., pending in the Supreme Court of NY. The complaint asserts claims for breach of contract and alleges, among other things, that the loans in the trust, which had an original principal balance of approximately $650 million, breached various representations and warranties. The complaint seeks, among other relief, specific performance of the loan breach remedy procedures in the transaction documents, unspecified damages and interest. On November 24, 2014, the court granted in part and denied in part the Firm's motion to dismiss the complaint. On August 13, 2018, the Firm filed a motion to renew its motion to dismiss. On April 4, 2019, the court denied the Firm's motion to renew its motion to dismiss.

On November 6, 2013, Deutsche Bank, in its capacity as trustee, became the named plaintiff in Federal Housing Finance Agency, as Conservator for the Federal Home Loan Mortgage Corporation, on behalf of the Trustee of the Morgan Stanley ABS Capital I Inc. Trust, Series 2007-NC3 (MSAC 2007-NC3) v. Morgan Stanley Mortgage Capital Holdings LLC, and filed a complaint in the Supreme Court of NY styled Deutsche Bank National Trust Company, solely in its capacity as Trustee for Morgan Stanley ABS Capital I Inc. Trust, Series 2007-NC3 v. Morgan Stanley Mortgage Capital Holdings LLC, as Successor- by-Merger to Morgan Stanley Mortgage Capital Inc. The complaint asserts claims for breach of contract and breach of the implied covenant of good faith and fair dealing and alleges, among other things, that the loans in the trust, which had an original principal balance of approximately $1.3 billion, breached various representations and warranties. The complaint seeks, among other relief, specific performance of the loan breach remedy procedures in the transaction documents, unspecified damages, rescission, interest and costs. On April 12, 2016, the court granted the Firm's motion to dismiss the complaint, and granted the plaintiff the ability to seek to replead certain aspects of the complaint. On January 17, 2017, the First Department affirmed the lower court's order granting the motion to dismiss the complaint. On January 9, 2017, plaintiff filed a motion to amend its complaint. On April 13, 2017, the First Department denied plaintiff's motion for leave to appeal to the Court of Appeals. On March 8, 2018, the trial court granted plaintiff's motion to amend its complaint to include failure to notify claims. On March 19, 2018, the Firm filed an answer to plaintiff's amended complaint.

On September 23, 2014, FGIC filed a complaint against the Firm in the Supreme Court of NY styled Financial Guaranty Insurance Company v. Morgan Stanley ABS Capital I Inc. et al. relating to the Morgan Stanley ABS Capital I Inc. Trust 2007- NC4. The complaint asserts claims for breach of contract and fraudulent inducement and alleges, among other things, that the loans in the trust breached various representations and warranties and defendants made untrue statements and material omissions to induce FGIC to issue a financial guaranty policy on certain classes of certificates that had an original balance of approximately $876 million. The complaint seeks, among other relief, specific performance of the loan breach remedy procedures in the transaction documents, compensatory, consequential and punitive damages, attorneys' fees and interest. On January 23, 2017, the court denied the Firm's motion to dismiss the complaint. On February 24, 2017, the Firm filed a notice of appeal of the denial of its motion to dismiss the complaint and perfected its appeal on November 22, 2017. On September 13, 2018, the First Department affirmed in part and reversed in part the lower court's order denying the Firm's motion to dismiss the complaint. On December 20, 2018, the First Department denied plaintiff's motion for leave to appeal to the Court of Appeals or, in the alternative, for reargument.

On January 23, 2015, Deutsche Bank National Trust Company, in its capacity as trustee, filed a complaint against the Firm styled Deutsche Bank National Trust Company solely in its capacity as Trustee of the Morgan Stanley ABS Capital I Inc. Trust 2007- NC4 v. Morgan Stanley Mortgage Capital Holdings LLC as Successor-by-Merger to Morgan Stanley Mortgage Capital Inc., and Morgan Stanley ABS Capital I Inc., pending in the Supreme Court of NY. The complaint asserts claims for breach of contract and alleges, among other things, that the loans in the trust, which had an original principal balance of approximately $1.05 billion, breached various representations and warranties. The complaint seeks, among other relief, specific performance of the loan breach remedy procedures in the transaction documents, compensatory, consequential, rescissory, equitable and punitive damages, attorneys' fees, costs and other related expenses, and interest. On December 11, *2015, the court granted in part and denied in part the Firm's motion to dismiss the complaint. On October 19, 2018, the court granted the Firm's motion for leave to amend its answer and to stay the case pending resolution of Deutsche Bank National Trust Company's appeal to the Court of Appeals in another case styled Deutsche Bank National Trust Company v. Barclays Bank PLC regarding the applicable statute of limitations. On January 17, 2019, the First Department reversed the trial court's order to the extent that it had granted in part the Firm's motion to dismiss the complaint. On June 4, 2019, the First Department granted the Firm's motion for leave to appeal its January 17, 2019 decision to the Court of Appeals.*

Antitrust Related Matters

The Firm and other financial institutions are responding to a number of governmental investigations and civil litigation matters related to allegations of anticompetitive conduct in various aspects of the financial services industry, including the matters described below.

Beginning in February of 2016, the Firm was named as a defendant in multiple purported antitrust class actions now consolidated into a single proceeding in the United States District Court for the Southern District of New York ("SDNY") styled In Re: Interest Rate Swaps Antitrust Litigation. Plaintiffs allege, inter alia, that the Firm, together with a number of other financial institution defendants, violated U.S. and New York state antitrust laws from 2008 through December of 2016 in connection with their alleged efforts to prevent the development of electronic exchange-based platforms for interest rates swaps trading. Complaints were filed both on behalf of a purported class of investors who purchased interest rates swaps from defendants, as well as on behalf of two swap execution facilities that allegedly were thwarted by the defendants in their efforts to develop such platforms. The consolidated complaints seek, among other relief, certification of the investor class of plaintiffs and treble damages. On July 28, 2017, the court granted in part and denied in part the defendants' motion to dismiss the complaints.

In August of 2017, the Firm was named as a defendant in a purported antitrust class action in the United States District Court for the SDNY styled Iowa Public Employees' Retirement System et al. v. Bank of America Corporation et al. Plaintiffs allege, inter alia, that the Firm, together with a number of other financial institution defendants, violated U.S. antitrust laws and New York state law in connection with their alleged efforts to prevent the development of electronic exchange-based platforms for securities lending. The class action complaint was filed on behalf of a purported class of borrowers and lenders who entered into stock loan transactions with the defendants. The class action complaint seeks, among other relief, certification of the class of plaintiffs and treble damages. On September 27, 2018, the court denied the defendants' motion to dismiss the class action complaint.

European Matters

*On October 11, 2011, an Italian financial institution, Banco Popolare Societá Cooperativa ("**Banco Popolare**"), filed a civil claim against the Firm in the Milan courts, styled* Banco Popolare Societá Cooperativa v Morgan Stanley & Co. International plc & others, *related to its purchase of €100 million of bonds issued by Parmalat. The claim asserted by Banco Popolare alleges, among other things, that the Firm was aware of Parmalat's impending insolvency and conspired with others to deceive Banco Popolare into buying bonds by concealing both Parmalat's true financial condition and certain features of the bonds from the market and Banco Popolare. Banco Popolare seeks damages of €76 million (approximately $85 million) plus damages for loss of opportunity and moral damages. The Firm filed its answer on April 20, 2012. On September 11, 2018, the court dismissed in full the claim against the Firm. On March 11, 2019, the plaintiff filed an appeal in the Court of Appeal of Milan. On May 31, 2019, the Firm filed its response to the plaintiff's appeal. An appeal hearing is scheduled to take place on September 16, 2020 in the Court of Appeal of Milan.*

On June 22, 2017, the public prosecutor for the Court of Accounts for the Republic of Italy filed a claim against the Firm styled Case No. 2012/00406/MNV, which is pending in the Regional Prosecutor's Office at the Judicial Section of the Court of Auditors for Lazio, Italy. The claim relates to certain derivative transactions between the Republic of Italy and the Firm. The transactions were originally entered into between 1999 and 2005, and were restructured (and certain of the transactions were terminated) in December 2011 and January 2012. The claim alleges, inter alia, that the Firm effectively acted as an agent of the state in connection with these transactions and asserts claims related to, among other things, whether the Ministry of Finance was authorized to enter into these transactions, whether the transactions were appropriate and whether the Firm's *conduct related to the termination of certain transactions was proper. The prosecutor is seeking damages through an administrative process against the Firm for €2.76 billion (approximately $3.1 billion). On March 30, 2018, the Firm filed its defense to the claim. On June 15, 2018, the Court issued a decision declining jurisdiction and dismissing the claim against the Firm. A hearing of the public prosecutor's appeal was held on January 10, 2019. On March 7, 2019, the Appellate Division of the Court of Accounts for the Republic of Italy issued a decision affirming the decision below declining jurisdiction and dismissing the claim against the Firm. On April 19, 2019, the public prosecutor filed an appeal with the Italian Supreme Court seeking to overturn this decision. On June 14, 2019, the Firm filed its response to the public prosecutor's appeal.*

In matters styled Case number 15/3637 and Case number 15/4353, the Dutch Tax Authority ("Dutch Authority") has challenged in the District Court in Amsterdam the prior set-off by the Firm of approximately €124 million (approximately $139 million) plus accrued interest of withholding tax credits against the Firm's corporation tax liabilities for the tax years 2007 to 2013. The Dutch Authority alleges that the Firm was not entitled to receive the withholding tax credits on the basis, inter alia, that a Firm subsidiary did not hold legal title to certain securities subject to withholding tax on the relevant dates. The Dutch Authority has also alleged that the Firm failed to provide certain information to the Dutch Authority and keep adequate books and records. On April 26, 2018, the District Court in Amsterdam issued a decision dismissing the Dutch Authority's claims. On June 4, 2018, the Dutch Authority filed an appeal before the Court of Appeal in Amsterdam in matters re-styled Case number 18/00318 and Case number 18/00319. On June 26 and July 2, 2019, a hearing of the Dutch Tax Authority's appeal was held.

On October 5, 2017, various institutional investors filed a claim against the Firm and another bank in a matter now styled Case number B-803-18 (previously BS 99-6998/2017), in the City Court of Copenhagen, Denmark concerning their roles as underwriters of the initial public offering ("IPO") in March 2014 of the Danish company OW Bunker A/S. The claim seeks damages of DKK 534,270,456 (approximately $80 million) plus interest in respect of alleged losses arising from investing in shares in OW Bunker, which entered into bankruptcy in November 2014. Separately, on November 29, 2017, another group of institutional investors joined the Firm and another bank as defendants to pending proceedings in the High Court of Eastern Denmark against various other parties involved in the IPO in a matter styled Case number B-2073-16. The claim brought against the Firm and the other bank has been given its own Case number B-2564-17. The investors claim damages of DKK 767,235,885 (approximately $115 million) plus interest, from the Firm and the other bank on a joint and several basis with the Defendants to these proceedings. Both claims are based on alleged prospectus liability; the second claim also alleges professional liability of banks acting as financial intermediaries. On June 8, 2018, the City Court of Copenhagen, Denmark ordered that the matters now styled Case number B-803-18, B-2073-16 and Case number B-2564-17 be heard together before the High Court of Eastern Denmark. On June 29, 2018, the Firm filed its defense to the matter now styled Case number B-2564-17. On February 4, 2019, the Firm filed its defense to the matter now styled Case number B-803-18.

The following matters were terminated during or following the quarter ended December 31, 2019:

On December 30, 2013, Wilmington Trust Company, in its capacity as trustee for Morgan Stanley Mortgage Loan Trust 2007-12, filed a complaint against the Firm styled Wilmington Trust Company v. Morgan Stanley Mortgage Capital Holdings LLC et al., pending in the Supreme Court of NY. The complaint asserted claims for breach of contract and alleged, among other things, that the loans in the trust, which had an original principal balance of approximately $516 million, breached various representations and warranties. The complaint sought, among other relief, unspecified damages, attorneys' fees, interest and costs. On February 28, 2014, defendants filed a motion to dismiss the complaint, which was granted in part and denied in part on June 14, 2016. Plaintiff filed a notice of appeal of that order on August 17, 2016. On July 11, 2017, First Department affirmed in part and reversed in part an order granting in part and denying in part the Firm's motion to dismiss. On August 10, 2017, plaintiff filed a motion for leave to appeal that decision. On September 26, 2017, the First Department denied plaintiff's motion for leave to appeal to the Court of Appeals. On October 31, 2018, the parties entered into an agreement to settle the litigation. On September 10, 2019, the court entered a final judgment and order granting final approval of the settlement. On November 11, 2019, the parties filed a stipulation of voluntary discontinuance, dismissing the action with prejudice.

On September 19, 2014, FGIC filed a complaint against the Firm in the Supreme Court of NY, styled Financial Guaranty Insurance Company v. Morgan Stanley ABS Capital I Inc. et al. relating to a *securitization issued by Basket of Aggregated Residential NIMS 2007-1 Ltd. The complaint asserted claims for breach of contract and alleges, among other things, that the net interest margin securities ("NIMS") in the trust breached various representations and warranties. FGIC issued a financial guaranty policy with respect to certain notes that had an original balance of approximately $475 million. The complaint sought, among other relief, specific performance of the NIMS breach remedy procedures in the transaction documents, unspecified damages, reimbursement of certain payments made pursuant to the transaction documents, attorneys' fees and interest. On November 24, 2014, the Firm filed a motion to dismiss the complaint, which the court denied on January 19, 2017. On February 24, 2017, the Firm filed a notice of appeal of the denial of its motion to dismiss the complaint and perfected its appeal on November 22, 2017. On September 13, 2018, the court affirmed the lower court's order denying the Firm's motion to dismiss the complaint. On November 13, 2019, the parties entered into an agreement to settle the litigation. On December 4, 2019, the parties filed a stipulation of voluntary discontinuance, dismissing the action with prejudice.*

Beginning on March 25, 2019, the Firm was named as a defendant in a series of putative class action complaints filed in the Southern District of NY, the first of which is styled Alaska Electrical Pension Fund v. BofA Secs., Inc., et al. Each complaint alleges a conspiracy to fix prices and restrain competition in the market for unsecured bonds issued by the following Government-Sponsored Enterprises: the Federal National Mortgage Associate; the Federal Home Loan Mortgage Corporation; the Federal Farm Credit Banks Funding Corporation; and the Federal Home Loan Banks. The purported class period for each suit is from January 1, 2012 to June 1, 2018. Each complaint raises a claim under Section 1 of the Sherman Act and seeks, among other things, injunctive relief and treble compensatory damages. On May 23, 2019, plaintiffs filed a consolidated amended class action complaint styled In re GSE Bonds Antitrust Litigation, with a purported class period from January 1, 2009 to January 1, 2016. On June 13, 2019, the defendants filed a joint motion to dismiss the consolidated amended complaint. On August 29, 2019, the court denied the Firm's motion to dismiss. On December 15, 2019, the Firm and certain other defendants entered into a stipulation of settlement to resolve the action as against each of them in its entirety. On February 3, 2020, the court granted preliminary approval of that settlement."

(ii) *The following is an extract from the section entitled "Legal Proceedings" on page 84 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarter ended 31 March 2020. References in this extract to "the Firm", "we" and "our" are references to Morgan Stanley together with its consolidated subsidiaries.*

The following development has occurred since previously reporting certain matters in the Firm's 2019 Form 10-K. See also the disclosures set forth under "Legal Proceedings" in the 2019 Form 10-K.

Residential Mortgage and Credit Crisis Related Matter

On March 19, 2020, the Firm filed a motion for partial summary judgment in Deutsche Bank National Trust Company solely in its capacity as Trustee of the Morgan Stanley ABS Capital I Inc. Trust 2007- NC4 v. Morgan Stanley Mortgage Capital Holdings LLC as Successor-by-Merger to Morgan Stanley Mortgage Capital Inc., and Morgan Stanley ABS Capital I Inc.

6. The paragraph beginning "*Save as*" under the heading *"Legal Proceedings"* at page 58 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

"Save as disclosed in:

(a) the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Consolidated Financial Statements" at pages 124-126 and the section entitled "Legal Proceedings" at pages 159-163 of the Morgan Stanley 2019 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 69-71 and the section entitled "Legal Proceedings" at page 84 of the Morgan Stanley March 2020 10-Q; and

(c) in the section "Legal Proceedings and Contingencies" of the Registration Document (as

supplemented by the First Registration Document Supplement),

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 is aware) during the 12-month period before the date of this Registration Document which may have, or have had in the recent past, a significant effect on the financial position or profitability of Morgan Stanley or the Morgan Stanley Group."

7. The paragraph under the heading *"Auditors*" at pages 58 and 59 of the Registration Document, shall be deleted in its entirety and the following substituted therefor:

*"**Auditors***

The consolidated financial statements of Morgan Stanley and subsidiaries as of 31 December 2018 and 31 December 2019 and for each of the years in the period ended 31 December 2019, 31 December 2018, and the effectiveness of internal control over financial reporting as of 31 December 2019, which are incorporated in this Registration Document, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm registered with the Public Company Accounting Oversight Board (United States of America), as stated in their reports dated 27 February 2020, which are incorporated herein by reference."

8. Each of the paragraphs under the heading "*Trend Information*" at page 59 of the Registration Document, shall be deleted in its entirety and the following substituted therefor:

*"**Trend Information***

*The business of Morgan Stanley in the past has been, and in the future may continue to be, materially affected by many factors, including: 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 and energy markets; the level of individual investor participation in the global markets as well as the level of client assets; the flow of investment capital into or from assets under management or supervision; the level and volatility of equity, fixed income and commodity prices, interest rates, inflation and currency values and other market indices; the availability and cost of both credit and capital as well as the credit ratings assigned to its unsecured short-term and long-term debt; technological changes instituted by it, its competitors or counterparties and technological risks, business continuity and related operational risks, including breaches or other disruptions of its or a third party's (or third parties thereof) operations or systems; risk associated with cybersecurity threats, including data protection and cybersecurity risk management; its ability to manage effectively its capital and liquidity, including non-objections to its capital plans by its banking regulators; the impact of current, pending and future legislation or changes thereto, regulation (including capital, leverage, funding, liquidity and recovery and resolution requirements) and its ability to address such requirements; uncertainty concerning fiscal or monetary policies established by central banks and financial regulators, government shutdowns, debt ceilings or funding; changes to global trade policies, tariffs, interest rates, reforms of LIBOR and other interest rate benchmarks; legal and regulatory actions, including litigation and enforcement, in the U.S. and worldwide; changes in tax laws and regulations globally; the effectiveness of its risk management processes; its ability to effectively respond to an economic downturn, or other market disruptions; the effect of social, economic and political conditions and geopolitical events, including the U.K.'s withdrawal from the E.U. ("**Brexit**"), and sovereign risk; the actions and initiatives of current and potential competitors as well as governments, central banks, regulators and self-regulatory organizations; its ability to provide innovative products and services and execute its strategic initiatives, and costs related thereto, including with respect to the operational or technological integration related to such innovative and strategic initiatives; the performance and results of its acquisitions, divestitures, joint ventures, strategic alliances, or other strategic arrangements and related integrations; investor, consumer and business sentiment and confidence in the financial markets; its reputation and the general perception of the financial services industry; climate-related incidents, pandemics and acts of war or terrorism; 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.*

There has been no material change in the prospects of Morgan Stanley since 31 December 2019"

9. The paragraph under the heading "*Significant Change*" at page 59 of the Registration Document, shall be deleted in its entirety and the following substituted therefor:

"Significant Change

There has been no significant change in the financial performance or position of Morgan Stanley since 31 March 2020 the date of the last published interim (unaudited) financial statements of Morgan Stanley.

10. Each of the paragraphs under the heading "*Share Capital*" at page 59 of the Registration Document, shall be deleted in its entirety and the following substituted therefor:

"Share Capital

The authorised share capital of Morgan Stanley at 31 March 2020 comprised 3,500,000,000 ordinary shares of nominal value U.S. $0.01 and 30,000,000 preferred stock of nominal value U.S. $0.01.

The issued, non-assessable and fully paid up share capital of Morgan Stanley at 31 December 2019 comprised 2,038,893,979 ordinary shares of nominal value U.S. $0.01."

11. The fifth paragraph under the heading "*Required Capital*" at page 60 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

"The following table presents the Average Common Equity Attribution for 2017, 2018 and 2019(1):

	2019	***2018***	***2017***
	Average Common Equity Attribution	***Average Common Equity Attribution***	***Average Common Equity Attribution***
			(dollars in billions)
Institutional Securities	*$40.4*	*$40.8*	*$40.2*
Wealth Management	*18.2*	*16.8*	*17.2*
Investment Management	*2.5*	*2.6*	*2.4*
Parent	*11.6*	*9.8*	*10.0*
Total	***$72.7***	***$70.0***	***$69.8***

(1) Average common equity is a non-GAAP financial measure

12. Each of the paragraphs under the heading "*Overview of the 2018 Financial Results*" at pages 61 and 62 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

"Overview of 2019 Financial Results

Consolidated Results*.*

Morgan Stanley reported net revenues of $41,419 million in 2019 compared with $40,107 million in 2018. For 2019, net income applicable to Morgan Stanley was $9,042 million, or $5.19 per diluted common share, compared with $8,748 million, or $4.73 per diluted common share, in 2018.

Results for 2019 and 2018 include intermittent net discrete tax benefits of $348 million and $203 million or $0.21 and $0.12 per diluted common share, respectively, primarily associated with remeasurement of reserves and related interest as a result of new information pertaining to the resolution of multi-jurisdiction tax examinations.

Excluding the intermittent net discrete tax items, net income applicable to Morgan Stanley was $8,694 million, or $4.98 per diluted common share in 2019, compared with $8,545 million, or $4.61 per diluted common share, in 2018 (see "Selected Non-GAAP Financial Information" herein

Non-interest Expenses*. Compensation and benefits expenses of $18,837 million in 2019 increased 7% from $17,632 million in 2018. The 2019 results reflect increases in the fair value of investments to which certain deferred compensation plans are referenced, carried interest, salaries, and severance-related costs. These increases were partially offset by decreases in discretionary incentive compensation and the roll-off of certain acquisition- related employee retention loans.*

Non-compensation expenses of $11,281 million in 2019 were relatively unchanged from $11,238 million in 2018, with increased investment in technology offset by lower professional services expenses.

Business Segment Results. *Institutional Securities net revenues of $20,386 million in 2019 were relatively unchanged from 2018, reflecting a mixed market backdrop, with lower revenues from Equity sales and trading and Investment banking offset by higher Fixed income and Other sales and trading revenues.*

Wealth Management net revenues of $17,737 million in 2019 increased 3% from 2018, primarily reflecting higher Transactional revenues due to gains related to investments associated with certain deferred compensation plans.

Investment Management net revenues of $3,763 million in 2019 increased 37% from 2018, primarily reflecting higher Investments revenues, principally driven by an underlying investment's initial public offering within an Asia private equity fund.

2018 compared with 2017

Consolidated Results. *Morgan Stanley reported net revenues of $40,107 million in 2018 compared with $37,945 million in 2017. For 2018, net income applicable to Morgan Stanley was $8,748 million, or $4.73 per diluted common share, compared with $6,111 million, or $3.07 per diluted common share, in 2017.*

Results for 2018 include intermittent net discrete tax benefits of $203 million, or $0.12 per diluted common share, primarily associated with the remeasurement of reserves and related interest due to the resolution of multi-jurisdiction tax examinations. In addition, the effective tax rate in 2018 is lower than in 2017, primarily as a result of the enactment of the Tax Act.

Results for 2017 included an intermittent net discrete tax provision of $968 million, or $0.53 per diluted common share, primarily related to the impact of the Tax Act, partially offset by net discrete tax benefits related to the remeasurement of reserves and related interest due to new information regarding the status of multi-year IRS tax examinations.

Non-interest expenses. *Compensation and benefits expenses of $17.632 million in 2018 increased 3% from*
*$17,166 million in 2017. The 2018 results reflected increases in discretionary incentive compensation mainly driven by higher revenues and a reduction in the portion of discretionary incentive compensation subject to deferral ("**compensation deferral modification**"), as well as salaries across all business segments, the formulaic payout to Wealth Management representatives, and amortisation of deferred cash and equity awards. These increases were partially offset by a decrease in the fair value of investments to which certain deferred compensation plans are referenced.*

Non-compensation expenses were $11,238 million in 2018 compared with $10,376 million in 2017, representing an 8% increase. This increase was primarily a result of higher volume-related expenses, the gross presentation of certain expenses due to the adoption of the accounting update "Revenue from Contracts with Customers" and increased investment in technology, partially offset by lower litigation expenses.

Business Segment Results. *Institutional Securities net revenues of $20,582 million in 2018 increased 9% from 2017, primarily reflecting higher revenues from both sales and trading and Investment banking.*

Wealth Management net revenues of $17,242 million in 2018 increased 2% from 2017, primarily reflecting growth in Asset management revenues, partially offset by reduced Trading revenues.

Investment Management net revenues of $2,746 million in 2018 increased 6% from 2017, primarily reflecting higher Asset management revenues, partially offset by lower investment gains."

13. Each of the paragraphs and the table under "*Subsidiaries of Morgan Stanley as of 31 December 2018"* at page 76 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

"SUBSIDIARIES OF MORGAN STANLEY AS OF 1 APRIL 2020*

* *Pursuant to Item 601(b)(21)(ii) of Regulation S-K, the names of certain other subsidiaries of Morgan Stanley are omitted because, considered in the aggregate as a single subsidiary, they would*

not constitute a "significant subsidiary" as that term is defined in Rule 1-02(w) of Regulation S-X under the Securities Exchange Act of 1934.

Company	***Jurisdiction of Incorporation or Formation***
Morgan Stanley	*Delaware*
Morgan Stanley Hedging Co. Ltd.	*Cayman Islands*
Morgan Stanley Holdings LLC	*Delaware*
Morgan Stanley Principal Funding, Inc.	*Delaware*
Morgan Stanley Senior Funding, Inc.	*Delaware*
Morgan Stanley Capital Management, LLC	*Delaware*
Morgan Stanley Capital Group Inc.	*Delaware*
Morgan Stanley Domestic Holdings, Inc.	*Delaware*
Morgan Stanley & Co. LLC	*Delaware*
Prime Dealer Services Corp.	*Delaware*
Morgan Stanley Capital Services LLC	*Delaware*
Morgan Stanley Bank, N.A.	*Federal Charter*
Morgan Stanley Private Bank, National Association	*Federal Charter*
Morgan Stanley Services Group Inc.	*Delaware*
Morgan Stanley Smith Barney LLC	*Delaware*
MS Financing LLC	*Delaware*
Morgan Stanley Investment Management Inc.	*Delaware*
Morgan Stanley Fixed Income Ventures Inc.	*Delaware*
Morgan Stanley Strategic Investments, Inc.	*Delaware*
Morgan Stanley International Holdings Inc.	*Delaware*
Archimedes Investments Cooperatieve U.A.	*Netherlands*
Morgan Stanley (Australia) Securities Holdings Pty Limited	*Australia*
Morgan Stanley Australia Securities Limited	*Australia*
Morgan Stanley Asia Holdings Limited	*Cayman Islands*
Morgan Stanley (Hong Kong) Holdings Limited	*Hong Kong*
Morgan Stanley Hong Kong 1238 Limited	*Hong Kong*
Morgan Stanley Asia Limited	*Hong Kong*
Morgan Stanley Bank Asia Limited	*Hong Kong*
MSJL Holdings Limited	*Cayman Islands*
Morgan Stanley Japan Holdings Co., Ltd.	*Japan*
Morgan Stanley MUFG Securities Co., Ltd.	*Japan*
Morgan Stanley International Limited	*United Kingdom*
Morgan Stanley Europe Holding SE	*Germany*
Morgan Stanley Europe SE	*Germany*
Morgan Stanley Bank AG	*Germany*
Morgan Stanley France Holdings I S.A.S.	*France*
Morgan Stanley France S.A.	*France*
Morgan Stanley Investments (UK)	*United Kingdom*
Morgan Stanley & Co. International plc	*United Kingdom*
Morgan Stanley Bank International Limited	*United Kingdom*
Morgan Stanley Investment Management Limited	*United Kingdom*
Morgan Stanley UK Limited	*United Kingdom*
MSL Incorporated	*Delaware*
Morgan Stanley Uruguay Ltda.	*Uruguay*

PART E – AMENDMENTS TO THE "DESCRIPTION OF MORGAN STANLEY & CO. INTERNATIONAL PLC" SECTION

The section entitled "*Description of Morgan Stanley & Co. International plc*" at pages 63 to 69 of the Registration Document is hereby amended as follows:

1. The first paragraph under the sub-heading "*Credit Ratings*" on page 63 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

"MSI plc has been assigned the following credit ratings:

	Short-Term Debt	*Long-Term Debt*	*Ratings Outlook*
Moody's	*P-1*	*A1*	*Ratings under review*
S&P	*A-1*	*A+*	*Stable"*

2. The paragraph under the heading "*Auditors*" at page 69 of the Registration Document, shall be deleted in its entirety and the following substituted therefor:

"***Auditors***

Deloitte LLP, Chartered Accountants and Registered Auditors (members of the Institute of Chartered Accountants of England and Wales) of 1 New Street Square, London EC4A 3HQ have audited the financial statements of MSI plc for the years ended 2018 and 2019 and unqualified opinions have been reported thereon."

3. The paragraph under the heading "*Trend Information*" at page 69 of the Registration Document, shall be deleted in its entirety and the following substituted therefor:

*"**Trend Information***

There has been no material adverse change in the prospects of MSI plc since 31 December 2019."

4. The paragraph under the heading "*Significant Change*" at page 69 of the Registration Document, shall be deleted in its entirety and the following substituted therefor:

*"**Significant Change***

There has been no significant change in the financial performance or position of MSI plc since 31 December 2019 (the date of the latest audited annual accounts of MSI plc)."

5. Each of the paragraphs under the heading "*Capital Structure*" at page 69 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

"***Capital Structure***

As of 31 December 2019 MSI plc had the following issued and fully paid up share capital:

*(i) £17,615,107 divided into 17,615,107 ordinary shares of £1 par value each (the "**GBP 1.00 Ordinary Shares**"). Each GBP Ordinary Share is entitled to one vote within its class. The GBP Ordinary Shares as a class are entitled to 0.161 per cent. of the votes at shareholder meetings.*

*(ii) U.S.$10,935,105,148 divided into 10,935,105,148 ordinary shares of U.S.$1 par value each (the "**USD 1.00 Ordinary Shares**"). Each USD Ordinary Share is entitled to one vote within its class. The USD Ordinary Shares as a class are entitled to 99.839 per cent. of the votes at shareholder meetings.*

*(iii) U.S. $1,500,000,000 divided into 1,500,000,000 class A ordinary shares of U.S.$1 par value each (the "**USD 1.00 Class A Non-Voting Ordinary Shares**"). The holders of the USD Class A Non-Voting Ordinary Shares are not entitled to vote at Shareholders meetings of MSI plc."*

PART F – AMENDMENTS TO THE "DESCRIPTION OF MORGAN STANLEY B.V." SECTION

The section entitled "*Description of Morgan Stanley B.V.*" at pages 70 to 72 of the Registration Document is hereby amended as follows:

1. Each of the paragraphs under the heading "*Auditors*" at page 72 of the Registration Document, shall be deleted in its entirety and the following substituted therefor:

   "***Auditors***

   Deloitte Accountants B.V., independent auditors and certified public accountants of Gustav Mahlerlaan 2970, 1081, LA Amsterdam, The Netherlands, a member of the Netherlands Institute of Chartered Accountants (Nederlandse Beroepsorganisatie van Accountants) have audited the financial statements of MSBV for the year ended 31 December 2018 and the year ended 31 December 2019 and unqualified opinions have been reported thereon.

   This document does not contain any other information that has been audited by Deloitte Accountants B.V.

   The financial information in respect of MSBV has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union for the years ended 31 December 2018 and 31 December 2019."

2. The paragraph under the heading "*Trend Information*" at page 72 of the Registration Document, shall be deleted in its entirety and the following substituted therefor:

   "***Trend Information***

   MSBV intends to continue issuing securities and entering into hedges in respect of such issues of securities. There has been no material adverse change in the prospects of MSBV since 31 December 2019."

3. The paragraph under the heading "*Significant Change*" at page 72 of the Registration Document, shall be deleted in its entirety and the following substituted therefor:

   "***Significant Change***

   There has been no significant change in the financial performance or position of MSBV since 31 December 2019, the date of the last published annual audited accounts of MSBV."

PART G – AMENDMENTS TO THE "DESCRIPTION OF MORGAN STANLEY FINANCE LLC" SECTION

The section entitled "*Description of Morgan Stanley Financial LLC*" at pages 73 to 75 of the Registration Document is hereby amended as follows:

1. The first paragraph under the sub-heading "*Credit Ratings*" on page 73 of the Registration Document shall be deleted in its entirety and the following substituted therefor:

   "*MSFL has been assigned the following credit ratings:*

	Long-Term Debt	*Ratings Outlook*
Fitch	*A*	*Negative*
Moody's	*A3*	*Ratings under review*
S&P	*BBB+*	*Stable*

2. Each of the paragraphs under the heading "*Auditors*" at page 74 of the Registration Document, shall be deleted in its entirety and the following substituted therefor:

   "***Auditors***

   Deloitte & Touche LLP, 30 Rockefeller Plaza, New York, NY 10112-0015, U.S.A., independent auditors, have audited the financial statements of MSFL as of and for the year ended 31 December 2018; and as of and for the year ended 31 December 2019, and unqualified opinions have been reported thereon, which include an explanatory paragraph referring to significant transactions with affiliates.

   This document does not contain any other information in respect of MSFL that has been audited by Deloitte & Touche LLP."

3. The paragraph under the heading "*Trend Information*" at page 75 of the Registration Document, shall be deleted in its entirety and the following substituted therefor:

   *"**Trend Information***

   MSFL intends to continue issuing securities. There has been no material adverse change in the prospects of MSFL since 31 December 2019."

4. The paragraph under the heading "*Significant Change*" at page 75 of the Registration Document, shall be deleted in its entirety and the following substituted therefor:

   "***Significant Change***

   There has been no significant change in the financial performance or position of MSFL since 31 December 2019, the date of the last published annual audited accounts of MSFL."