

**THIRD BASE PROSPECTUS SUPPLEMENT**

# Morgan Stanley

*as issuer*

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

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

Morgan Stanley ("**Morgan Stanley**") (the "**Issuer**") has prepared this third base prospectus supplement (the "**Third Base Prospectus Supplement**") to supplement and be read in conjunction with the base prospectus for the issuance of notes, Series A and B, warrants and certificates dated 19 April 2017 (the "**Base Prospectus**") as supplemented by the first base prospectus supplement dated 9 June 2017 (the "**First Base Prospectus Supplement**") and the second base prospectus supplement dated 31 August 2017 (the "**Second Base Prospectus Supplement**") published in relation to Morgan Stanley's Regulation S Program for the Issuance of Notes, Series A and Series B, Warrants and Certificates.

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

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

The purpose of this Third Base Prospectus Supplement is to:

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

- (f) in respect of further issuances only under the Base Prospectus (as supplemented by the First Base Prospectus Supplement and the Second Base Prospectus Supplement), make amendments to the General Information section in the Base Prospectus, as set out in “Part E” of this Third Base Prospectus Supplement.

In accordance with Article 13 paragraph 2 of the Luxembourg Law on Prospectuses dated 10 June 2005, investors who have agreed to purchase or subscribe for, or have applied to purchase or subscribe for, any Notes prior to the publication of this Third Base Prospectus Supplement shall have the right, exercisable within two Business Days following the date of publication of this Third Base Prospectus Supplement, to withdraw their acceptances or applications by notice in writing to the relevant Issuer or Manager, as the case may be. The final date within which such right of withdrawal must be exercised is 6 December 2017.

The Issuer confirms the following:

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

The Issuer accepts responsibility for the information contained in this Third Base Prospectus Supplement. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

This Third Base Prospectus Supplement, the Morgan Stanley September 2017 10-Q and the Third Registration Document Supplement are available for viewing, and copies may be obtained from, in the case of the Morgan Stanley September 2017 10-Q, the offices of Morgan Stanley and, in the case of this Third Base Prospectus Supplement and the Third Registration Document Supplement, the offices of the Issuer and the Paying Agents.

This Third Base Prospectus Supplement and the Third Registration Document Supplement 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](http://www.bourse.lu).

The Morgan Stanley September 2017 10-Q is 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](http://www.bourse.lu).

30 November 2017

**MORGAN STANLEY**

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## PART A – INCORPORATION BY REFERENCE

This Third Base Prospectus Supplement incorporates by reference those sections of the Morgan Stanley September 2017 10-Q and the Third Registration Document Supplement identified in the cross-reference table below, and supplements and must be read in conjunction with the section entitled "*Incorporation by reference*" contained on pages 41-44 of the Base Prospectus.

This Third Base Prospectus Supplement and the Third Registration Document Supplement 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](http://www.bourse.lu).

The Morgan Stanley September 2017 10-Q is 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](http://www.bourse.lu).

Document filed	Information incorporated by reference	Page(s)
<b>Morgan Stanley</b>		
Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2017	(1) Management's Discussion and Analysis of Financial Condition and Results of Operations	1-31
	(2) Quantitative and Qualitative Disclosures about Market Risk	32-41
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Morgan Stanley & Co.  
International plc, Morgan Stanley  
B.V. and Morgan Stanley Finance  
LLC dated 28 November 2017

Registration Document

This Third Base Prospectus Supplement expressly does not incorporate by reference the documents and/or information identified in the cross-reference table below and supplements the section entitled “*Incorporation by Reference*” contained on pages 41-44 of the Base Prospectus.

**Document incorporated by reference**

**Information not incorporated by reference**

**Morgan Stanley**

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

Exhibits  
Exhibit Index

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

Part A

**PART B – AMENDMENTS TO THE SUMMARY**

**Sub-Section I – Changes to Element B.12**

The selected key financial information relating to Morgan Stanley at Element B.12 of the summary in the Base Prospectus (set out on pages 3-4 of the Base Prospectus) shall be replaced with the information below:

B.12	<b>Selected historical key financial information:</b>	<b>Selected key financial information relating to Morgan Stanley:</b>				
			<b>At 31 December 2015</b>	<b>At 31 December 2016</b>	<b>At 30 September (unaudited)</b>	
		Consolidated Balance Sheets (U.S.\$ in millions)			<b>2016</b>	<b>2017</b>
		<i>Total assets</i>	787,465	814,949	813,891	853,693
		<i>Total liabilities and equity</i>	787,465	814,949	813,891	853,693
			<b>2015</b>	<b>2016</b>	<b>Nine months ended 30 September (unaudited)</b>	
		Consolidated Income Statements (U.S.\$ in millions)			<b>2016</b>	<b>2017</b>
		<i>Net revenues</i>	35,155	34,631	25,610	28,445
		<i>Income from continuing operations before income taxes</i>	8,495	8,848	6,602	7,932
		<i>Net income</i>	6,279	6,123	4,443	5,553
<p>There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2016, the date of the latest published annual audited financial statements of Morgan Stanley.</p> <p>There has been no significant change in the financial or trading position of Morgan Stanley since 30 September 2017, the date of the latest published interim (unaudited) financial statements of Morgan Stanley.</p>						

## PART C – AMENDMENTS TO SELECTED FINANCIAL INFORMATION

The section titled “*Selected Financial Information of Morgan Stanley*” set out on page 32 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

### “SELECTED FINANCIAL INFORMATION OF MORGAN STANLEY

This section contains selected financial information of Morgan Stanley relating to the years ended 31 December 2015 and 31 December 2016 and the nine months ended 30 September 2016 and 30 September 2017.

The information in respect of the years ended 31 December 2015 and 31 December 2016 set out below is derived from the audited financial statements included in Morgan Stanley’s Annual Report on Form 10-K for the year ended 31 December 2016.

The information in respect of the nine months ended 30 September 2016 and 30 September 2017 set out below is derived from the unaudited financial statements included in the Morgan Stanley Quarterly Report on Form 10-Q for the quarterly periods ended 30 September 2016 and 30 September 2017, respectively.

Consolidated Balance Sheets (U.S.\$ <i>in millions</i> )	<b>31 Dec 2015</b>	<b>31 Dec 2016</b>	<b>At 30 September 2016 (unaudited)</b>	<b>At 30 September 2017 (unaudited)</b>
<i>Total assets</i>	787,465	814,949	813,891	853,693
<i>Total liabilities and equity</i>	787,465	814,949	813,891	853,693

Consolidated Income Statements <i>(U.S.\$ in millions)</i>	<b>31 Dec 2015</b>	<b>31 Dec 2016</b>	<b>Nine months ended 30 September 2016 (unaudited)</b>	<b>Nine months ended 30 September 2017 (unaudited)</b>
<i>Net revenues</i>	35,155	34,631	25,610	28,445
<i>Income from continuing operations before income taxes</i>	8,495	8,848	6,602	7,932
<i>Net income</i>	6,279	6,123	4,443	5,553

”

## PART D – AMENDMENTS TO THE RISK FACTORS RELATING TO THE NOTES SECTION

The Base Prospectus is hereby amended as follows:

1. The following shall be deemed to be added after subparagraph 3.20 on page 19 of the Base Prospectus:

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

2. The section 3.20 entitled *“Reform of LIBOR and EURIBOR and Other Interest Rate Index and Equity, Commodity and Foreign Exchange Rate Index ‘Benchmarks’”* set out on pages 25-27 of the Base Prospectus shall be deemed to be deleted in its entirety and placed with the following:

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

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

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

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

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



## PART E – AMENDMENTS TO THE GENERAL INFORMATION SECTION

The Base Prospectus is hereby amended as follows:

1. Sub-paragraph (d) set out on page 150 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

*“(d) Annual Report of Morgan Stanley on Form 10-K for the year ended 31 December 2016, Morgan Stanley Current Reports on Form 8-K filed 11 January 2017, 17 January 2017, 31 January 2017, 2 March 2017, 19 April 2017, 21 April 2017, 22 May 2017, 28 June 2017 and 19 July 2017, Morgan Stanley Proxy Statement dated 7 April 2017, Quarterly Report of Morgan Stanley on Form 10-Q for the quarterly period ended 31 March 2017, Quarterly Report of Morgan Stanley on Form 10-Q for the quarterly period ended 30 June 2017 and Quarterly Report of Morgan Stanley on Form 10-Q for the quarterly period ended 30 September 2017;”*

2. The section entitled “*No material adverse change in prospects and no significant change in the financial or trading position*” set out on page 151 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

*“There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2016, the date of the last published annual audited financial statements of Morgan Stanley.*

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

3. The sub section titled “*Legal and arbitration proceedings*” set out on page 151 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

***“Legal and arbitration proceedings***

*Save as disclosed in:*

- a) the section entitled “Legal Proceedings” in Part I – Item 3 at pages 23-28 and in the paragraphs beginning with “Legal” under the heading “Contingencies” under the heading “Commitments, Guarantees and Contingencies” in “Notes to Consolidated Financial Statements” in Part II – Item 8 (Note 12) at pages 156-160 of Morgan Stanley’s Annual Report on Form 10-K for the year ended 31 December 2016 (the “Form 10-K”);*
- b) the paragraphs beginning with “Legal” under the heading “Contingencies” under the heading “Commitments, Guarantees and Contingencies” in “Notes to Consolidated Financial Statements (Unaudited)” at pages 75-78 and the section entitled “Legal Proceedings” at page 91 of Morgan Stanley’s Quarterly Report on Form 10-Q for the quarterly period ended 31 March 2017;*
- c) the section entitled “Legal Proceedings and Contingencies” at Part 7 of the section entitled “Description of Morgan Stanley” at pages 44-60 of the Registration Document dated 9 June 2017 (as supplemented by the First Registration Document Supplement dated 25 August 2017 and the Third Registration Document Supplement dated 28 November 2017);*
- d) the paragraphs beginning with “Legal” under the heading “Contingencies” under the heading “Commitments, Guarantees and Contingencies” in “Notes to Consolidated Financial Statements (Unaudited)” at pages 78-81 and the section entitled “Legal Proceedings” at pages 96-97 of Morgan Stanley’s Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2017;*
- e) the paragraphs beginning with “Legal” under the heading “Contingencies” under the heading “Commitments, Guarantees and Contingencies” in “Notes to Consolidated Financial Statements (Unaudited)” at pages 77-80 and the section entitled “Legal Proceedings” at page 95 of Morgan Stanley’s Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2017; and*

*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 Base Prospectus 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.”*