

SECOND SUPPLEMENTAL OFFERING CIRCULAR

Morgan Stanley

*as issuer and guarantor
(incorporated under the laws of the State of Delaware in the United States of America)*

MORGAN STANLEY FINANCE LLC

*as issuer
(formed 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 B, Warrants and Certificates

Morgan Stanley (“**Morgan Stanley**”) and Morgan Stanley Finance LLC, a wholly-owned finance subsidiary of Morgan Stanley (“**MSFL**”, together with Morgan Stanley, the “**Issuers**”), and Morgan Stanley, in its capacity as guarantor (in such capacity, the “**Guarantor**”) have prepared this second supplemental offering circular (the “**Second Supplemental Offering Circular**”) to supplement and be read in conjunction with the offering circular dated 10 May 2016 (the “**Offering Circular**”) and the First Supplement to Offering Circular dated 20 June 2016 (the “**First Supplemental Offering Circular**”) in relation to the Issuer’s Regulation S Program for the Issuance of Notes, Series A and B, Warrants and Certificates.

This Second Supplemental Offering Circular has been approved by:

- (i) the Irish Stock Exchange as supplementary listing particulars, pursuant to the listing and admission to trading rules of the Irish Stock Exchange, for the purpose of providing information with regard to the Issuers and the Guarantor for the purposes of admitting Program Securities to the Official List of the Irish Stock Exchange and trading on its Global Exchange Market. The Global Exchange Market is the exchange regulated market of the Irish Stock Exchange and is not a regulated market for the purposes of Directive 2004/39/EC; and
- (ii) the SIX Swiss Exchange pursuant to points 12 et seq. of the directive of the SIX Swiss Exchange on the listing of notes for the purpose of giving certain information with regard to the Issuers and the Guarantor.

Warning: This Second Supplemental Offering Circular does not constitute a “supplement” for the purposes of Directive 2003/71/EC (as amended by Directive 2010/73/EU, the “**Prospectus Directive**”), and this Second Supplemental Offering Circular and the Offering Circular have been prepared on the basis that no prospectus shall be required under the Prospectus Directive for any Program Securities to be offered and sold under the Offering Circular. Neither the Offering Circular nor this Second Supplemental Offering Circular have been approved or reviewed by any regulator which is a competent authority under the Prospectus Directive in the European Economic Area (the “**EEA**”).

Terms defined in the Offering Circular shall have the same meaning when used in this Second Supplemental Offering Circular. To the extent that there is any inconsistency between any statement in this Second Supplemental Offering Circular and any other statement in, or incorporated by reference in to, the Offering Circular or the First Supplemental Offering Circular, the statements in this Second Supplemental Offering Circular will prevail.

The purpose of this Second Supplemental Offering Circular is to:

- (a) disclose the publication by Morgan Stanley of its Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2016 (the “**Morgan Stanley September 2016 10-Q**”) and incorporate by reference, as set out in the section of this Supplement entitled “Amendments to the Original Base Prospectuses”;
- (b) disclose the publication by Morgan Stanley of its Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2016 (the “**Morgan Stanley June 2016 10-Q**”) and incorporate by reference, as set out in the section of this Supplement entitled “Amendments to the Original Base Prospectuses”;
- (c) disclose the publication by MSFL of its Financial Statements as of and for the six months ended 30 June 2016 (unaudited) (the “**MSFL June 2016 Interim Report**”) and incorporate by reference, as set out in “Part A” of this Second Supplemental Offering Circular; and

- (d) disclose the publication of the first supplement to the Registration Document of Morgan Stanley, Morgan Stanley & Co. International plc, Morgan Stanley B.V. and MSFL dated 19 October 2016 and approved by the CSSF (the “**First Registration Document Supplement**”) and incorporate by reference, as set out in Part A” of this Second Supplemental Offering Circular.

In addition, this Second Supplemental Offering Circular makes certain consequential amendments to the Offering Circular as set out in “Part B” of this Second Supplemental Offering Circular.

Each of the Issuers and the Guarantor (the “**Responsible Persons**”) accepts responsibility for the information contained in this Second Supplemental Offering Circular and to the best of the knowledge of the Responsible Persons (each having taken all reasonable care to ensure that such is the case), the information contained in this Second Supplemental Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Responsible Persons confirms that save as disclosed in this Second Supplemental Offering Circular, no significant new factor, material mistake or inaccuracy relating to information included in the Offering Circular has arisen since the publication of the Offering Circular.

This Second Supplemental Offering Circular, the MSFL June 2016 Interim Report and the First Registration Document Supplement are available for viewing, and copies may be obtained from, the offices of the Issuers and the Paying Agents and are also available on Morgan Stanley's website at www.morganstanleyiq.eu.

The Morgan Stanley September 2016 10-Q and the Morgan Stanley June 2016 10-Q are available on Morgan Stanley's website at www.morganstanley.com/about-us-ir.

11 November 2016

MORGAN STANLEY

MORGAN STANLEY FINANCE LLC

PART A - INCORPORATION BY REFERENCE

This Second Supplemental Offering Circular incorporates by reference the Morgan Stanley September 2016 10-Q, the Morgan Stanley June 2016 10-Q, the MSFL June 2016 Interim Report and the First Registration Document Supplement and supplements the section entitled “*Incorporation by Reference*” contained on pages 29-33 of the Offering Circular.

The MSFL June 2016 Interim Report and the First Registration Document Supplement are available on Morgan Stanley's website at www.morganstanleyiq.eu.

The Morgan Stanley September 2016 10-Q and the Morgan Stanley June 2016 10-Q are available on Morgan Stanley's website at www.morganstanley.com/about-us-ir.

The information incorporated by reference must be read in conjunction with the cross-reference table below which supplements the table of information incorporated by reference in the section entitled “*Incorporation by Reference*” contained on pages contained on pages 29-33 of the Offering Circular.

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

Document filed	Information incorporated by reference	Page(s)
Morgan Stanley		
Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2016	(1) Consolidated Statements of Income (Unaudited)	1
	(2) Consolidated Statements of Comprehensive Income (Unaudited)	2
	(3) Consolidated Balance Sheets (Unaudited)	3
	(4) Consolidated Statements of Changes in Total Equity (Unaudited)	4
	(5) Consolidated Statements of Cash Flows (Unaudited)	5
	(6) Notes to Consolidated Financial Statements (Unaudited)	6-54
	(7) Report of Independent Registered Public Accounting Firm	55
	(8) Management’s Discussion and Analysis of Financial Condition and Results of Operations	56-86
	(9) Quantitative and Qualitative Disclosures about Market Risk	87-96
	(10) Controls and Procedures	97
	(11) Financial Data Supplement (Unaudited)	98-100
	(12) Legal Proceedings	101
	(13) Unregistered Sales of Equity Securities and Use of Proceeds	102
	(14) Signatures	103
Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2016	(1) Consolidated Statements of Income (unaudited)	1
	(2) Consolidated Statements of Comprehensive Income (unaudited)	2
	(3) Consolidated Balance Sheets (unaudited)	3
	(4) Consolidated Statements of Changes in Total Equity (unaudited)	4
	(5) Consolidated Statements of Cash Flows (unaudited)	5
	(6) Notes to Consolidated Financial Statements (unaudited)	6-70
	(7) Report of Independent Registered Public Accounting Firm	71

(8) Management’s Discussion and Analysis of Financial Condition and Results of Operations	72-107
(9) Quantitative and Qualitative Disclosures about Market Risk	108-120
(10) Controls and Procedures	121
(11) Financial Data Supplement (unaudited)	122-127
(12) Legal Proceedings	128
(13) Unregistered Sales of Equity Securities and Use of Proceeds	129
(14) Signatures	130

Morgan Stanley Finance LLC

(1) Statement of Financial Condition	3
(2) Statement of Comprehensive Income	4
(3) Statement of Cash Flows	5
(4) Statement of Changes in Member’s Equity	6
(5) Notes to the Financial Statements	7-18

Morgan Stanley, Morgan Stanley & Co. International plc, Morgan Stanley B.V. and MSFL

(1) Part B – Consequential Amendments to the Registration Document	4-7
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Financial statements as of and for the six months ended 30 June 2016 (unaudited)

First Registration Document Supplement

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 Offering Circular.

The non-incorporated parts of the documents listed above are as follows:

Document incorporated by reference

Morgan Stanley June 2016 10-Q
Morgan Stanley September 2016 10-Q
First Registration Document Supplement

Information not incorporated by reference

Exhibits
Exhibits Index
Exhibits
Exhibits Index
Part A

PART B – OTHER CONSEQUENTIAL AMENDMENTS TO THE OFFERING CIRCULAR

The Offering Circular is hereby amended as follows:

- The section entitled “Selected financial information of Morgan Stanley” on pages 1-2 of the Offering Circular under “*Summary*” shall be deemed to be deleted in its entirety and replaced by the following:

Selected financial information of Morgan Stanley:

Consolidated Balance Sheets (U.S.\$ in millions)	31 Dec 2014	31 Dec 2015	At 30 September 2015 (unaudited)	At 30 September 2016 (unaudited)
<i>Total assets</i>	801,510	787,465	834,113	813,891
<i>Total liabilities and equity</i>	801,510	787,465	834,113	813,891

Consolidated Statements of Income (U.S.\$ in millions)	31 Dec 2014	31 Dec 2015	Nine months ended 30 September 2015 (unaudited)	Nine months ended 30 September 2016 (unaudited)
<i>Net revenues</i>	34,275	35,155	27,417	25,610
<i>Income from continuing operations before income taxes</i>	3,591	8,495	7,056	6,602
<i>Net income</i>	3,667	6,279	5,343	4,443

- The section entitled “Selected key financial information relating to MSFL” on page 2 of the Offering Circular under “*Summary*” shall be deemed to be deleted in its entirety and replaced by the following:

Selected key financial information of MSFL:

Statement of Financial Position (in U.S.\$)	31 December 2014	31 December 2015	30 June 2015	30 June 2016
Net Income	114,986,489	110,072,000	55,905,222	10,920,801
Total Assets	6,797,385,100	6,942,318,599	6,871,618,064	355,668,713
Total Liabilities	1,678,238,333	1,713,099,832	1,696,566,075	357,207,736

- On page 320 of the Offering Circular, paragraphs 2(a) and 2(b) under the heading “No significant change in the financial or trading position” shall be deemed to be deleted in their entirety and replaced by the following:

“(a) Morgan Stanley since 30 September 2016, the date of the latest interim unaudited financial statements of Morgan Stanley; and

(b) *MSFL since 30 June 2016, the date of the latest published interim unaudited financial statements of MSFL.*"

4. On page 320 of the Offering Circular, paragraph 3 under the heading "Legal and arbitration proceedings" shall be deemed to be deleted in its entirety and replaced by the following:

"Save as disclosed in:

- a) *the section entitled "Legal Proceedings" in Part I - Item 3 at pages 24-32 and in the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Consolidated Financial Statements" in Part II - Item 8 at pages 202-205 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2015 (the "Form 10-K");*
- b) *the section entitled "Legal Settlement" under the heading "24. Subsequent Events" in "Notes to the Consolidated Financial Statements" in Part II – Item 8 at page 250 of the Form 10-K;*
- c) *the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Condensed Consolidated Financial Statements" in Part I – Item 1 at pages 47-50 and the section entitled "Legal Proceedings" in Part II – Item 1 at page 126 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarter ended 31 March 2016;*
- d) *the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Condensed Consolidated Financial Statements" in Part I – Item 1 at pages 50-53 and the section entitled "Legal Proceedings" in Part II – Item 1 at page 128 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 June 2016;*
- e) *the paragraphs beginning with "Legal" under the heading "Contingencies" under the heading "Commitments, Guarantees and Contingencies" in "Notes to Condensed Consolidated Financial Statements" in Part I – Item 1 at pages 39-43 and the section entitled "Legal Proceedings" in Part II – Item 1 at page 101 of Morgan Stanley's Quarterly Report on Form 10-Q for the quarterly period ended 30 September 2016;*
- f) *the Registration Document dated 12 June 2015 (as supplemented by the First Registration Document Supplement dated 6 November 2015 and the Second Registration Document Supplement dated 31 March 2016); and*
- g) *the Registration Document dated 10 June 2016 (as supplemented by the First Registration Document Supplement dated 19 October 2016).*

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 Offering Circular 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."