

SECOND BASE PROSPECTUS SUPPLEMENT

Morgan Stanley

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

MORGAN STANLEY & CO. INTERNATIONAL PLC

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

MORGAN STANLEY B.V.

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

MORGAN STANLEY FINANCE LLC

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

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

Morgan Stanley (“**Morgan Stanley**”), Morgan Stanley & Co. International plc (“**MSI plc**”), Morgan Stanley Finance LLC (“**MSFL**”) and Morgan Stanley B.V. (“**MSBV**”, together with Morgan Stanley, MSFL and MSI plc, the “**Issuers**”) and Morgan Stanley, in its capacity as guarantor (in such capacity, the “**Guarantor**”) have prepared this second base prospectus supplement (the “**Second Base Prospectus Supplement**”) to supplement and be read in conjunction with the base prospectus dated 10 October 2017 (the “**Base Prospectus**”) of Morgan Stanley, MSI plc, MSFL and MSBV (each in its capacity as Issuer) and Morgan Stanley (in its capacity as Guarantor) relating to the Regulation S Program for the Issuance of Notes, Series A and Series B, Warrants and Certificates as supplemented by the first supplement to the Base Prospectus dated 30 November 2017 (the “**First Base Prospectus Supplement**”).

This Second 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.

The CSSF gives no undertaking as to the economic and financial soundness of any transaction or the quality or solvency of any of the Issuers in line with the provisions of Article 7.7 of the Luxembourg Law on Prospectuses for Securities.

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

The purpose of this Second Base Prospectus Supplement is to:

- (a) disclose the publication by Morgan Stanley of its Annual Report on Form 10-K for the year ended 31 December 2017 (the “**Morgan Stanley 2017 10-K**”) and incorporate by reference, as set out in “Part A” of this Second Base Prospectus Supplement;
- (b) disclose the publication of the fourth supplement to the Registration Document of Morgan Stanley, MSI plc, MSBV and MSFL dated 22 March 2018 and approved by the CSSF (the “**Fourth Registration Document**”).

Supplement”) and incorporate by reference, as set out in “Part A” of this Second Base Prospectus Supplement;

- (c) make certain consequential amendments to the summary in the Base Prospectus pursuant to the publication of the Morgan Stanley 2017 10-K as set out in “Part B” of this Second Base Prospectus Supplement;
- (d) in respect of further issuances only under the Base Prospectus, make amendments to the Selected Financial Information of Morgan Stanley in the Base Prospectus, as set out in “Part C” of this Second Base Prospectus Supplement;
- (e) in respect of further issuances only under the Base Prospectus, make amendments to the General Information section in the Base Prospectus, as set out in “Part D” of this Second Base Prospectus Supplement;
- (f) make amendments to the Important Notices section in the Base Prospectus, as set out in “Part E” of this Second Base Prospectus Supplement;
- (g) make amendments to various pro forma Final Terms sections in the Base Prospectus, as set out in “Part F” of this Second Base Prospectus Supplement; and
- (h) make amendments to the Subscription and Sale section in the Base Prospectus, as set out in “Part G” of this Second 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 Second Base Prospectus Supplement shall have the right, exercisable within two Business Days following the date of publication of this Second 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 April 2018.

Save as disclosed in this Second 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) has arisen since the publication of the Base Prospectus (as supplemented by the First Base Prospectus Supplement).

Morgan Stanley accepts responsibility for the information contained in this Second Base Prospectus Supplement. To the best of the knowledge and belief of Morgan Stanley (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.

This Second Base Prospectus Supplement, the Fourth Registration Document Supplement and the Morgan Stanley 2017 10-K are available for viewing, and copies may be obtained from, in the case of the Morgan Stanley 2017 10-K, the offices of Morgan Stanley and, in the case of the Second Base Prospectus Supplement and the Fourth Registration Document Supplement, the offices of the Issuers and the Paying Agents.

This Second Base Prospectus Supplement and the Fourth 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.

The Morgan Stanley 2017 10-K is available on Morgan Stanley's website at www.morganstanley.com/about-us-ir and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

29 March 2018

MORGAN STANLEY

MORGAN STANLEY & CO. INTERNATIONAL PLC

MORGAN STANLEY B.V.

MORGAN STANLEY FINANCE LLC

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**PART A INCORPORATION BY REFERENCE: MORGAN STANLEY 2017 10-K AND FOURTH
REGISTRATION DOCUMENT SUPPLEMENT**

This Second Base Prospectus Supplement incorporates by reference the Morgan Stanley 2017 10-K and the Fourth Registration Document Supplement and supplements the section entitled “*Incorporation by Reference*” contained on pages 125-134 of the Base Prospectus.

This Second Base Prospectus Supplement and the Fourth 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.

The Morgan Stanley 2017 10-K is available on Morgan Stanley's website at www.morganstanley.com/about-us-ir and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

The information incorporated by reference must be read in conjunction with the cross-reference table below which supplements the table of information incorporated by reference in the section entitled “*Incorporation by Reference*” contained on pages 125-134 of the Base Prospectus.

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

Document filed	Information incorporated by reference	Page(s)
Morgan Stanley		
Annual Report on Form 10-K for the year ended 31 December 2017	(1) Business	1-10
	(2) Risk Factors	11-22
	(3) Unresolved Staff Comments	22
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Morgan Stanley, MSI plc, MSBV and MSFL

Fourth Registration Document Supplement	(1)	Part B – Consequential Amendments to the Registration Document	3-4
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This Second 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 125-134 of the Base Prospectus, as they are not relevant for investors.

Document filed

Morgan Stanley 2017 10-K

Fourth Registration Document Supplement

Information not incorporated by reference

Exhibits
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Part A

PART B AMENDMENTS TO THE SUMMARY

Sub-Section I – Changes to Elements B.4b, B.10 and B.12

1. The trends information in relation to Morgan Stanley at Element B.4b of the summary in the Base Prospectus (set out on pages 2-3 of the Base Prospectus) shall be replaced with the information below:

B.4b	Trends:	[The business of Morgan Stanley[, the ultimate holding company of [MSI plc] / [MSBV] / [MSFL],] 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 markets 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, 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; risk associated with cybersecurity threats, including data protection and cybersecurity risk management; its ability to manage effectively its capital and liquidity, including approval of its capital plans by its banking regulators; the impact of current, pending and future legislation (including with respect to the Dodd-Frank Wall Street Reform and Consumer Protection Act (“ Dodd-Frank Act ”)) or changes thereto, regulation (including capital, leverage, funding, liquidity and recovery and resolution requirements and its ability to address such requirements), policies (including fiscal and monetary policies established by central banks and financial regulators, and changes to global trade policies), and other legal and regulatory actions in the U.S. and worldwide; changes in tax laws and regulations globally, including the interpretation and application of the U.S. Tax Cuts and Jobs Act (“ Tax Act ”); the effectiveness of its risk management policies; its ability to effectively respond to an economic downturn, or other market disruptions; 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 objectives; the effect of economic and political conditions and geopolitical events, including the U.K. anticipated withdrawal from the E.U.; sovereign risk; the performance and results of its acquisitions, divestitures, joint ventures, strategic alliances or other strategic arrangements; investor, consumer and business sentiment and confidence in the financial markets; its reputation and the general perception of the financial services industry; inflation, natural disasters, 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.]
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2. The audit report qualifications information in relation to Morgan Stanley at Element B.10 of the summary in the Base Prospectus (set out on page 3 of the Base Prospectus) shall be replaced with the information below:

B.10	Audit report qualifications	Not Applicable. There are no qualifications in the auditor's reports [insert for MSBV / MSI plc / MSFL: on the financial statements of [MSI plc] / [MSBV] / [MSFL] for the years ended 31 December 2015 and 31 December 2016] / [insert
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		for MS: on the financial statements of Morgan Stanley for the years ended 31 December 2016 and 31 December 2017, as contained in Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2017].
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3. 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	Selected historical key financial information:	[Selected key financial information relating to Morgan Stanley:																					
		<table border="1"> <thead> <tr> <th>Consolidated Balance Sheets (U.S.\$ in millions)</th> <th>At 31 December 2016</th> <th>At 31 December 2017</th> </tr> </thead> <tbody> <tr> <td><i>Total assets</i></td> <td>814,949</td> <td>851,733</td> </tr> <tr> <td><i>Total liabilities and equity</i></td> <td>814,949</td> <td>851,733</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Consolidated Income Statements (U.S.\$ in millions)</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td><i>Net revenues</i></td> <td>34,631</td> <td>37,945</td> </tr> <tr> <td><i>Income from continuing operations before income taxes</i></td> <td>8,848</td> <td>10,403</td> </tr> <tr> <td><i>Net income</i></td> <td>6,123</td> <td>6,216</td> </tr> </tbody> </table> <p>There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2017, the date of the latest published annual audited financial statements of Morgan Stanley.</p> <p>Not Applicable. There has been no significant change in the financial or trading position of Morgan Stanley since 31 December 2017, the date of the latest published annual audited financial statements of Morgan Stanley.]</p>			Consolidated Balance Sheets (U.S.\$ in millions)	At 31 December 2016	At 31 December 2017	<i>Total assets</i>	814,949	851,733	<i>Total liabilities and equity</i>	814,949	851,733	Consolidated Income Statements (U.S.\$ in millions)	2016	2017	<i>Net revenues</i>	34,631	37,945	<i>Income from continuing operations before income taxes</i>	8,848	10,403	<i>Net income</i>
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Sub-Section II – Changes to Elements B.19 (B. 4b), B.19(B.10) and B.19(B.12)

1. The trends information in relation to Morgan Stanley at Element B.4b of the summary in the Base Prospectus (set out on page 8 of the Base Prospectus) shall be replaced with the information below:

B.19 (B.4b)	Trends:	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 markets 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, 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,
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		business continuity and related operational risks; risk associated with cybersecurity threats, including data protection and cybersecurity risk management; its ability to manage effectively its capital and liquidity, including approval of its capital plans by its banking regulators; the impact of current, pending and future legislation (including with respect to the Dodd-Frank Wall Street Reform and Consumer Protection Act (“ Dodd-Frank Act ”)) or changes thereto, regulation (including capital, leverage, funding, liquidity and recovery and resolution requirements and its ability to address such requirements), policies (including fiscal and monetary policies established by central banks and financial regulators, and changes to global trade policies), and other legal and regulatory actions in the U.S. and worldwide; changes in tax laws and regulations globally, including the interpretation and application of the U.S. Tax Cuts and Jobs Act (“ Tax Act ”); the effectiveness of its risk management policies; its ability to effectively respond to an economic downturn, or other market disruptions; 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 objectives; the effect of economic and political conditions and geopolitical events, including the U.K. anticipated withdrawal from the E.U.; sovereign risk; the performance and results of its acquisitions, divestitures, joint ventures, strategic alliances or other strategic arrangements; investor, consumer and business sentiment and confidence in the financial markets; its reputation and the general perception of the financial services industry; inflation, natural disasters, 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.
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2. The audit report qualifications information in relation to Morgan Stanley at Element B.19 (B.10) of the summary in the Base Prospectus (set out on page 8 of the Base Prospectus) shall be replaced with the information below:

B.19 (B.10)	Audit report qualifications	Not Applicable. There are no qualifications in the auditor's reports on the financial statements of Morgan Stanley for the years ended 31 December 2016 and 31 December 2017, as contained in Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2017.
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3. The selected key financial information relating to Morgan Stanley at Element B.19 (B.12) of the summary in the Base Prospectus (set out on pages 8-9 of the Base Prospectus) shall be replaced with the information below:

B.19 (B.12)	Selected historical key financial information:	Selected key financial information relating to Morgan Stanley:		
			At 31 December 2016	At 31 December 2017
		Consolidated Balance Sheets (U.S.\$ in millions)		
		<i>Total assets</i>	814,949	851,733
		<i>Total liabilities and equity</i>	814,949	851,733

Consolidated Income Statements (U.S.\$ in millions)		2016	2017
<i>Net revenues</i>		34,631	37,945
<i>Income from continuing operations before income taxes</i>		8,848	10,403
<i>Net income</i>		6,123	6,216

There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2017, the date of the latest published annual audited financial statements of Morgan Stanley.

Not Applicable. There has been no significant change in the financial or trading position of Morgan Stanley since 31 December 2017, the date of the latest published annual audited financial statements of Morgan Stanley.

Sub-Section III – Changes to Element D.2

- The key risks information in relation to Morgan Stanley at Element D.2 of the summary in the Base Prospectus (set out on pages 59-61 of the Base Prospectus) shall be replaced with the information below:

D.2	Key Risks Specific to the Issuers and the Guarantor:	<p>The following key risks affect Morgan Stanley [and, since Morgan Stanley is the ultimate holding company of [MSI plc] / [MSBV] / [MSFL], also impact [MSI plc] / [MSBV] / [MSFL]:</p> <p>Market Risk: 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. Holding large and concentrated positions may expose Morgan Stanley to losses. These factors may result in losses for a position or portfolio owned by Morgan Stanley.</p> <p>Credit Risk: Morgan Stanley is exposed to the risk that third parties that are indebted to it will not perform their obligations, as well as that a default by a large financial institution could adversely affect financial markets. Such factors give rise to the risk of loss arising when a borrower, counterparty or issuer does not meet its financial obligations to Morgan Stanley.</p> <p>Operational Risk: Morgan Stanley is subject to the risk of loss, or of damage to its reputation, resulting from inadequate or failed processes, or systems, from human factors or from external events (e.g. fraud, theft, legal and compliance risks, cyber attacks or damage to physical assets). Morgan Stanley may incur operational risk across the full scope of its business activities, including revenue-generating activities (e.g. sales and trading) and support and control groups (e.g. information technology and trade processing). 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.</p> <p>Liquidity Risk: Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations. Morgan Stanley's borrowing costs and access to the debt capital markets depend on its credit ratings. Morgan Stanley is a holding company, has no operations and depends on dividends, distributions and other payments from its subsidiaries. Further, Morgan Stanley's liquidity and financial condition have in the past been, and in the future could be, adversely affected by U.S. and international markets and economic conditions. As a result of the foregoing,</p>
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there is a risk that Morgan Stanley will be unable to finance its operations due to a loss of access to the capital markets or difficulty in liquidating its assets. Additionally, liquidity risk encompasses Morgan Stanley's ability (or perceived ability) to meet its financial obligations without experiencing significant business disruption or reputational damage that may threaten its viability as a going concern. Morgan Stanley also experiences associated funding risks triggered by the market or idiosyncratic stress events that may negatively affect its liquidity or may impact its ability to raise new funding.

Legal, Regulatory and Compliance Risk: Morgan Stanley is subject to the risk of legal or regulatory sanctions, material financial loss including fines, penalties, judgments, damages and/or settlements, or loss to reputation it may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organization standards and codes of conduct applicable to its business activities. Morgan Stanley is also subject to contractual and commercial risk, such as the risk that a counterparty's performance obligations will be unenforceable. Additionally, Morgan Stanley is subject to anti-money laundering, anti-corruption and terrorist financing rules and regulations. The uncertainties and ambiguities as to the interpretation and application of the U.S. Tax Cuts and Jobs Act could adversely affect Morgan Stanley.

Risk Management: 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.

Competitive Environment: Morgan Stanley faces strong competition from other financial services firms, which could lead to pricing pressures that could materially adversely affect its revenue and profitability. Further, automated trading markets may adversely affect Morgan Stanley's business and may increase competition (for example, by putting increased pressure on bid-offer spreads, commissions, markups or comparable fees). Finally, Morgan Stanley's ability to retain and attract qualified employees is critical to the success of its business and the failure to do so may materially adversely affect its performance.

International Risk: Morgan Stanley is subject to numerous political, economic, legal, tax, operational, franchise and other risks as a result of its international operations (including risks of possible nationalization, expropriation, price controls, capital controls, exchange controls, increased taxes and levies and other restrictive governmental actions, as well as the outbreak of hostilities or political and governmental instability) which could adversely impact its businesses in many ways. The United Kingdom's anticipated withdrawal from the European Union could adversely affect Morgan Stanley.

Acquisition, Divestiture and Joint Venture Risk: Morgan Stanley may be unable to fully capture the expected value from acquisitions, divestitures, joint ventures, minority stakes or strategic alliances.

Risk Relating to the Exercise of Resolution Measures Powers: The application of regulatory requirements and strategies in the United States 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.

[insert for MSBV:

All material assets of MSBV are obligations of (or securities issued by) one or more Morgan Stanley Group companies. If any of these Morgan Stanley Group companies incurs losses with respect to any of its activities (irrespective of whether those activities relate to MSBV or not) the ability of such company to fulfil its obligations to MSBV could be impaired, thereby exposing holders of securities issued by MSBV to a risk of loss.]

[insert for MSFL: MSFL has no independent operations beyond the issuance and

		<p>administration of its securities and is expected to have no independent assets available for distributions to holders of MSFL Notes if they make claims in respect of the Notes in a bankruptcy, resolution or similar proceeding. Accordingly, any recoveries by such holders will be limited to those available under the related Guarantee by Morgan Stanley and that Guarantee will rank <i>pari passu</i> with all other outstanding unsecured and unsubordinated obligations of Morgan Stanley present and future, but, in the event of insolvency, only to the extent permitted by laws affecting creditors' rights. Holders will have recourse only to a single claim against Morgan Stanley and its assets under the Guarantee. Holders of Notes issued by MSFL should accordingly assume that in any such proceedings they would not have any priority over and should be treated <i>pari passu</i> with the claims of other unsecured, unsubordinated creditors of Morgan Stanley, including holders of Morgan Stanley-issued securities.]</p> <p>[insert for MSI plc: The existence of substantial inter-relationships (including the provision of funding, capital, services and logistical support to or by MSI plc, as well as common or shared business or operational platforms or systems, including employees) between MSI plc and other Morgan Stanley Group companies exposes MSI plc to the risk that, factors which could affect the business and condition of Morgan Stanley or other companies in the Morgan Stanley Group may also affect the business and condition of MSI plc. Further, Notes issued by MSI plc will not be guaranteed by Morgan Stanley. The application of regulatory requirements and strategies in the United Kingdom to facilitate the orderly resolution of large financial institutions may pose a greater risk of loss for the holders of securities issued by MSI plc.]</p>
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PART C AMENDMENTS TO SELECTED FINANCIAL INFORMATION

The section titled “*Selected Financial Information of Morgan Stanley*” set out on page 109 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 2016 and 31 December 2017.

The information in respect of the years ended 31 December 2016 and 31 December 2017 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 2017.

Consolidated Balance Sheets (U.S.\$ in millions)	At 31 December 2016	At 31 December 2017
<i>Total assets</i>	814,949	85,733
<i>Total liabilities and equity</i>	814,949	85,733

Consolidated Income Statements (U.S.\$ in millions)	2016	2017
<i>Net revenues</i>	34,631	37,945
<i>Income from continuing operations before income taxes</i>	8,848	10,403
<i>Net income</i>	6,123	6,216

”

PART D AMENDMENTS TO GENERAL INFORMATION SECTION

1. Sub-paragraph (h) set out on page 833 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

“(h) Annual Report of Morgan Stanley on Form 10-K for the year ended 31 December 2017, Morgan Stanley Current Reports on Form 8-K dated 5 January 2018, 18 January 2018, 31 January 2018 and Morgan Stanley Proxy Statement dated 7 April 2017;”

2. The sub section titled “*Morgan Stanley*” within the section “*No material adverse change in the prospects and no significant change in the financial or trading position*” set out on page 835 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

“*Morgan Stanley*”

There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2017, 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 31 December 2017, the date of the last published annual audited financial statements of Morgan Stanley.”

3. The sub section titled “*Legal and arbitration proceedings*” set out on pages 835-836 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 at pages 145-148 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2017 (the "Form 10-K"); and

(b) 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, the section entitled "Legal Proceedings" at Part 7 of the section entitled "Description of Morgan Stanley & Co. International plc" at pages 71-73 of the Registration Document, the section entitled "Legal Proceedings" at Part 7 of the section entitled "Description of Morgan Stanley B.V." at page 78 of the Registration Document and the section entitled "Legal Proceedings" at Part 7 of the section entitled "Description of Morgan Stanley Finance LLC" at page 81 of the Registration Document (as supplemented by the First Registration Document Supplement dated 25 August 2017, the Second Registration Document Supplement dated 18 October 2017, the Third Registration Document Supplement dated 28 November 2017 and the Fourth Registration Document Supplement dated 22 March 2018),

there are no, nor have there been, any governmental, legal or arbitration proceedings involving Morgan Stanley, MSI plc, MSBV or MSFL (including any such proceedings which are pending or threatened of which Morgan Stanley, MSI plc, MSBV or MSFL is aware) during the 12-month period before the date of this Base Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of Morgan Stanley, MSI plc, MSBV, MSFL or the Morgan Stanley Group.”

PART E AMENDMENTS TO IMPORTANT NOTICES SECTION

The warning entitled “*Important – EEA Retail Investors*” on page iv of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

MIFID II product governance / target market – The Final Terms in respect of any Notes may include a legend entitled “**MiFID II Product Governance**” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither dealer(s) nor any of its respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

PRIIPs / IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of:

- (A) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended (“**MiFID II**”);
- (B) a customer within the meaning of Directive 2002/92/EC, as amended (the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (C) not a qualified investor as defined in the Prospectus Directive.

Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PART F AMENDMENTS TO VARIOUS PRO FORMA FINAL TERMS SECTIONS

Sub Section I

The first page of the sections entitled “*Pro Forma Final Terms for Notes other than Linked Notes*” on page 340 of the Base Prospectus, “*Pro Forma Final Terms for Autocallable Notes*” on page 387 of the Base Prospectus, “*Pro Forma Final Terms for Reverse Convertible Notes*” on page 491 of the Base Prospectus, “*Pro Forma Final Terms for Certain Linked Notes*” on page 589 of the Base Prospectus and “*Pro Forma Final Terms for Preference Share-Linked Notes*” on page 741 of the Base Prospectus shall be deemed to be amended as follows:

1. The legends entitled “*PROHIBITION OF SALES TO EEA RETAIL INVESTORS*” found at the beginning of each of the sections above shall be deemed to be deleted in its entirety and replaced with the following:

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS:

THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA (THE “**EEA**”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF:

- (A) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU, AS AMENDED (“**MIFID II**”);
- (B) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, AS AMENDED, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR
- (C) NOT A QUALIFIED INVESTOR AS DEFINED IN DIRECTIVE 2003/71/EC, AS AMENDED.

CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE “**PRIIPS REGULATION**”) FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.]

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET:

SOLELY FOR THE PURPOSES OF THE MANUFACTURER’S PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT:

- (A) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND
- (B) ALL CHANNELS FOR DISTRIBUTION OF THE NOTES TO ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ARE APPROPRIATE.

ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE NOTES (A “**DISTRIBUTOR**”) SHOULD TAKE INTO CONSIDERATION THE MANUFACTURER’S TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER’S TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.]

2. The following shall be deemed to be added immediately before the text that reads “Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]” in each of the sections above:

“**Legal Entity Identifier (LEI): [Insert LEI of the Issuer]**”.

Sub Section II

The paragraph entitled “*Operational Information*” under “*Part B – Other Information*” of the sections entitled “*Pro Forma Final Terms for Notes other than Linked Notes*” on page 376 of the Base Prospectus, “*Pro Forma Final Terms for Autocallable Notes*” on page 486 of the Base Prospectus, “*Pro Forma Final Terms for Reverse Convertible Notes*” on page 584 of the Base Prospectus, “*Pro Forma Final Terms for Certain Linked Notes*” on page 736 of the Base Prospectus and “*Pro Forma Final Terms for Preference Share-Linked Notes*” on page 756 of the Base Prospectus shall be deemed to be amended as follows:

1. The following shall be deemed to be inserted immediately before the paragraph entitled “*Delivery*”:

CFI: [[•]/Not Applicable]

FISN: [[•]/Not Applicable]

PART G AMENDMENTS TO SUBSCRIPTION AND SALE SECTION

The section entitled “*Prohibition of Sales to EEA Retail Investors*” set out on page 817 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

“Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Distribution Agent has represented and agreed, and each further Distribution Agent appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (A) the expression "retail investor" means a person who is one (or more) of the following:
 - (1) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (2) a customer within the meaning of the IMD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (3) not a qualified investor as defined in the Prospectus Directive; and
- (B) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.”