

FOURTH BASE PROSPECTUS SUPPLEMENT

Morgan Stanley

(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**” or the “**Issuer**”) has prepared this fourth base prospectus supplement (the “**Fourth Base Prospectus Supplement**”) to supplement and be read in conjunction with the base prospectus dated 8 April 2016 (the “**Base Prospectus**”), the first base prospectus supplement dated 20 June 2016 (the “**First Base Prospectus Supplement**”), the second base prospectus supplement dated 18 November 2016 (the “**Second Base Prospectus Supplement**”) and the third base prospectus supplement dated 20 January 2017 (the “**Third Base Prospectus Supplement**”) of Morgan Stanley relating to the Regulation S Program for the Issuance of Notes, Series A and Series B, Warrants and Certificates.

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

The purpose of this Fourth 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 2016 (the “**Morgan Stanley 2016 10-K**”) and incorporate by reference certain sections of the Morgan Stanley 2016 10-K, as set out in “Part A” of this Fourth Base Prospectus Supplement;
- (b) disclose the publication of the second supplement to the Registration Document of Morgan Stanley, Morgan Stanley & Co. International plc, Morgan Stanley B.V. and Morgan Stanley Finance LLC dated 14 March 2017 and approved by the CSSF (the “**Second Registration Document Supplement**”) and incorporate by reference, as set out in “Part A” of this Fourth Base Prospectus Supplement;
- (c) make certain consequential amendments to the summary of the Base Prospectus pursuant to the publication of the Morgan Stanley 2016 10-K, as set out in “Part B” of this Fourth Base Prospectus Supplement;
- (d) in respect of future issuances only under the Base Prospectus, make amendments to selected financial information of Morgan Stanley in the Base Prospectus, as set out in “Part C” of this Fourth Base Prospectus Supplement; and
- (e) in respect of further issuances only under the Base Prospectus, make amendments to the General Information and the Terms and Conditions of the Notes section in the Base Prospectus, as set out in “Part D” of this Fourth Base Prospectus Supplement.

In accordance with Article 13 paragraph 2 of the Luxembourg Law on Prospectuses dated 10 July 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 Fourth Base Prospectus Supplement shall have the right, exercisable within two Business Days (as defined in the Conditions of such Notes) following the date of publication of this Fourth Base Prospectus Supplement, to withdraw their acceptances or applications by notice in writing to the Issuer or Distribution Agent, as the case may be. The final date within which such right of withdrawal must be exercised is 30 March 2017.

The Issuer confirms the following:

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

The Issuer accepts responsibility for the information contained in this Fourth 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.

The amendments in respect of the Terms and Conditions of the Notes section in the Base Prospectus, as set out in “Part D” of this Fourth Base Prospectus Supplement shall only apply to final terms, the date of which falls on or after the approval of this Fourth Base Prospectus Supplement.

This Fourth Base Prospectus Supplement, the Second Registration Document Supplement and the Morgan Stanley 2016 10-K are available for viewing, and copies may be obtained from, in the case of the Morgan Stanley 2016 10-K, the offices of Morgan Stanley and, in the case of the Fourth Base Prospectus Supplement and Second Registration Document Supplement, the offices of the Issuer and the Paying Agents.

The Morgan Stanley 2016 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.

This Fourth Base Prospectus Supplement and the Second Registration Document Supplement are available on Morgan Stanley’s website at www.morganstanleyiq.eu and on the website of the Luxembourg Stock Exchange at www.bourse.lu.

24 March 2017

MORGAN STANLEY

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**PART A INCORPORATION BY REFERENCE: MORGAN STANLEY 2016 10-K AND SECOND
REGISTRATION DOCUMENT SUPPLEMENT**

This Fourth Base Prospectus Supplement incorporates by reference the Morgan Stanley 2016 10-K and the Second Registration Document Supplement and supplements the section entitled “*Incorporation by Reference*” contained on pages 40-42 of the Base Prospectus.

The Morgan Stanley 2016 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.

This Fourth Base Prospectus Supplement and the Second Registration Document Supplement are available on Morgan Stanley’s website at www.morganstanleyiq.eu 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 40-42 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 2016	(1) Business	1-11
	(2) Risk Factors	12-22
	(3) Unresolved Staff Comments	22
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Second Registration Document Supplement	(1)	Part B – Consequential Amendments to the Registration Document	3-4

This Fourth Base Prospectus Supplement expressly does not incorporate by reference information identified in the cross-reference table below and supplements the section entitled “Incorporation by Reference” contained on pages 40-42 of the Base Prospectus.

Document filed	Information not incorporated by reference	Page
Annual Report on Form 10-K for the year ended 31 December 2016	Exhibit Index Exhibits	E-1- E-5
Second Registration Document Supplement dated 14 March 2017	Part A	1-2

PART B AMENDMENTS TO THE SUMMARY

I - Changes to Elements B.10 and B.12

1. 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 on the financial statements of Morgan Stanley for the years ended 31 December 2015 and 31 December 2016, as contained in Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2016.
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2. The selected key financial information relating to Morgan Stanley at Element B.12 of the summary in the Base Prospectus (set out on page 3 of the Base Prospectus) shall be replaced with the information below:

B.12	Selected historical key financial information:	<p>Selected key financial information relating to Morgan Stanley:</p> <table border="1" style="margin-bottom: 20px;"> <thead> <tr> <th style="text-align: left;">Consolidated Balance Sheets (U.S.\$ in millions)</th> <th style="text-align: center;">At 31 December 2015</th> <th style="text-align: center;">At 31 December 2016</th> </tr> </thead> <tbody> <tr> <td><i>Total assets</i></td> <td style="text-align: right;">787,465</td> <td style="text-align: right;">814,949</td> </tr> <tr> <td><i>Total liabilities and equity</i></td> <td style="text-align: right;">787,465</td> <td style="text-align: right;">814,949</td> </tr> </tbody> </table> <table border="1" style="margin-bottom: 20px;"> <thead> <tr> <th style="text-align: left;">Consolidated Income Statements (U.S.\$ in millions)</th> <th style="text-align: center;">2015</th> <th style="text-align: center;">2016</th> </tr> </thead> <tbody> <tr> <td><i>Net revenues</i></td> <td style="text-align: right;">35,155</td> <td style="text-align: right;">34,631</td> </tr> <tr> <td><i>Income from continuing operations before income taxes</i></td> <td style="text-align: right;">8,495</td> <td style="text-align: right;">8,848</td> </tr> <tr> <td><i>Net income</i></td> <td style="text-align: right;">6,279</td> <td style="text-align: right;">6,123</td> </tr> </tbody> </table> <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>Not applicable. There has been no significant change in the financial or trading position of Morgan Stanley since 31 December 2016, the date of the latest published annual audited financial statements of Morgan Stanley.</p>	Consolidated Balance Sheets (U.S.\$ in millions)	At 31 December 2015	At 31 December 2016	<i>Total assets</i>	787,465	814,949	<i>Total liabilities and equity</i>	787,465	814,949	Consolidated Income Statements (U.S.\$ in millions)	2015	2016	<i>Net revenues</i>	35,155	34,631	<i>Income from continuing operations before income taxes</i>	8,495	8,848	<i>Net income</i>	6,279	6,123
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II - Changes to Elements B.4b and D2

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 in the past has been, and in the future may continue to be, materially affected by many factors, including: the effect of economic and political conditions and geopolitical events, including the United Kingdom's (the "U.K.") anticipated withdrawal from the European Union (the "E.U."); sovereign risk; the effect of market conditions, particularly in the
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		<p>global equity, fixed income, currency, credit and commodities markets, including corporate and mortgage (commercial and residential) lending and commercial real estate markets and energy markets; the impact of current, pending and future legislation (including with respect to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act")) or changes thereto, regulation (including capital, leverage, funding, liquidity and tax 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 United States of America ("U.S.") and worldwide; the level and volatility of equity, fixed income and commodity prices (including oil prices), interest rates, currency values and other market indices; the availability and cost of both credit and capital as well as the credit ratings assigned to Morgan Stanley's unsecured short-term and long-term debt; investor, consumer and business sentiment and confidence in the financial markets; the performance and results of Morgan Stanley's acquisitions, divestitures, joint ventures, strategic alliances or other strategic arrangements; Morgan Stanley's reputation and the general perception of the financial services industry; inflation, natural disasters, pandemics and acts of war or terrorism; the actions and initiatives of current and potential competitors as well as governments, central banks, regulators and self-regulatory organizations; the effectiveness of Morgan Stanley's risk management policies; technological changes instituted by Morgan Stanley, its competitors or counterparties and technological risks, including cybersecurity, business continuity and related operational risks; Morgan Stanley's ability to provide innovative products and services and execute its strategic objectives; or a combination of these or other factors. In addition, legislative, legal and regulatory developments related to Morgan Stanley's businesses are likely to increase costs, thereby affecting results of operations.</p>
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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 11-12 of the Base Prospectus) shall be replaced with the information below:

D.2	<p>Key Risks Specific to the Issuers and the Guarantor:</p>	<p>The following key risks affect Morgan Stanley:</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, 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).</p> <p>Liquidity and Funding Risk: Liquidity is essential to Morgan Stanley's businesses and Morgan Stanley relies on external sources to finance a significant portion of its operations. Morgan Stanley's borrowing costs and access to the debt capital markets depend on its credit ratings. Morgan Stanley</p>
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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, 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, there is a risk that Morgan Stanley's financial condition or overall soundness is adversely affected by an inability or perceived inability to meet its financial obligations in a timely manner. Morgan Stanley also experiences associated funding risks triggered by the market or idiosyncratic stress events that may cause unexpected changes in funding needs or an inability 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.

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.

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.

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.

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

Consolidated Balance Sheets (U.S.\$ in millions)	At 31 December 2015	At 31 December 2016
<i>Total assets</i>	787,465	814,949
<i>Total liabilities and equity</i>	787,465	814,949

Consolidated Income Statements (U.S.\$ in millions)	2015	2016
<i>Net revenues</i>	35,155	34,631
<i>Income from continuing operations before income taxes</i>	8,495	8,848
<i>Net income</i>	6,279	6,123

PART D AMENDMENTS TO THE BASE PROSPECTUS

The Base Prospectus is hereby amended as follows:

1. Condition 4 (*Status*) set out on page 55 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the following:

“The Notes constitute part of the Issuer's senior debt and will rank pari passu with all of the Issuer's other unsecured and unsubordinated debt.

The Issuer intends that the Notes will, when issued, constitute “loss-absorbing capacity” within the meaning of the final rules issued by the Board of Governors of the Federal Reserve System and, accordingly, will have only those provisions described in this Base Prospectus that will permit compliance thereof at such time of issuance. In this respect, the Issuer is a parent holding company and has no operations and depends on dividends, distributions and other payments from the Issuer's subsidiaries to fund the Issuer's debt obligations (including Notes). Under a support agreement that the Issuer has entered with the Issuer's material subsidiaries, upon the occurrence of a resolution scenario, including a single-point-of-entry resolution strategy as contemplated in the Issuer's resolution plan, the Issuer would be obligated to contribute or loan on a subordinated basis all of the Issuer's material assets, other than shares in the Issuer's subsidiaries and certain intercompany payables, to provide capital and liquidity, as applicable, to the Issuer's material subsidiaries. That obligation will be secured, in accordance with an amended and restated secured support agreement, on a senior basis by the Issuer's assets (other than shares in the Issuer's subsidiaries). As a result, claims of the Issuer's material subsidiaries against the Issuer's assets (other than shares in the Issuer's subsidiaries) will be effectively senior to the Issuer's unsecured obligations, including Notes which would be at risk of absorbing the Issuer's and its subsidiaries' losses.”

2. Sub-paragraph (d) set out on page 145 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 and Morgan Stanley Proxy Statement dated 1 April 2016;”

3. The second paragraph in the section titled “*No material adverse change in the prospects and no significant change in the financial or trading position*” set out on page 146 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 31 December 2016, the date of the last published annual audited financial statements of Morgan Stanley.”

4. The sub section titled “*Legal and arbitration proceedings*” set out on pages 146 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 156-160 of Morgan Stanley's Annual Report on Form 10-K for the year ended 31 December 2016 (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 39 to 53 of the Registration Document dated 10 June 2016 (as supplemented by the First Registration Document Supplement dated 19 October 2016 and the Second Registration Document Supplement dated 14 March 2017),*

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.”