

**SECOND SUPPLEMENT TO THE REGISTRATION DOCUMENT**

# Morgan Stanley

**MORGAN STANLEY**

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

**MORGAN STANLEY & CO. INTERNATIONAL plc**

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

**MORGAN STANLEY B.V.**

*(incorporated with limited liability in the Netherlands)*

and

**MORGAN STANLEY FINANCE LLC**

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

Morgan Stanley, Morgan Stanley & Co. International plc (“**MSI plc**”), Morgan Stanley B.V. (“**MSBV**”) and Morgan Stanley Finance LLC (“**MSFL**”) have prepared this second supplement to the registration document (the “**Second Registration Document Supplement**”) to supplement and be read in conjunction with the registration document dated 10 June 2016 (the “**Registration Document**”) as supplemented by the first supplement to the Registration Document dated 19 October 2016 (the “**First Registration Document Supplement**”) of Morgan Stanley, MSI plc, MSBV and MSFL.

## **Status of Supplement**

This Second Registration Document 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 registration document supplement prepared in compliance with Article 16.1 of the Prospectus Directive and relevant implementing measures in Luxembourg.

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

This Second Registration Document Supplement constitutes a supplement to and should be read in conjunction with, the Registration Document (as supplemented by the First Registration Document Supplement).

## **Information being supplemented**

The purpose of this Second Registration Document 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 Second Registration Document Supplement; and
- (b) make certain consequential amendments to the Registration Document pursuant to the publication of the Morgan Stanley 2016 10-K as set out in “Part B” of this Second Registration Document Supplement.

## **Responsibility**

Morgan Stanley accepts responsibility for the information contained in this Second Registration Document Supplement and confirms that, to the best of its knowledge, having taken all reasonable care to ensure that such is the case, the information contained in the relevant document is in accordance with the facts and does not omit anything likely to affect the import of such information.

## **General**

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

Any information or documents incorporated by reference into the Morgan Stanley 2016 10-K are not incorporated by reference into this Second Registration Document Supplement as such information or documents are either not relevant for the investor in any securities issued by Morgan Stanley, MSI plc, MSBV or MSFL (as applicable) or are covered in the relevant securities note or summary which comprise the relevant prospectus in respect of such securities.

This 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 Second Registration Document Supplement, the offices of each of Morgan Stanley, MSI plc, MSBV and MSFL.

The Morgan Stanley 2016 10-K is also available on Morgan Stanley's website at [www.morganstanley.com/about-us-ir](http://www.morganstanley.com/about-us-ir) and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

This Second Registration Document Supplement is also available on Morgan Stanley's website at [www.morganstanleyiq.eu](http://www.morganstanleyiq.eu) and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

14 March 2017

**MORGAN STANLEY**

**MORGAN STANLEY & CO. INTERNATIONAL PLC**

**MORGAN STANLEY B.V.**

**MORGAN STANLEY FINANCE LLC**

## CONTENTS

	<b>Page</b>
<b>PART A INCORPORATION BY REFERENCE: MORGAN STANLEY 2016 10-K.....</b>	<b>1</b>
<b>PART B CONSEQUENTIAL AMENDMENTS TO THE REGISTRATION DOCUMENT.....</b>	<b>3</b>

## PART A INCORPORATION BY REFERENCE: MORGAN STANLEY 2016 10-K

This Second Registration Document Supplement incorporates by reference those sections of the documents identified in the cross-reference table below and supplements and must be read in conjunction with the section entitled "Information Incorporated by Reference" contained on pages 15-21 of the Registration Document.

The Morgan Stanley 2016 10-K is available on Morgan Stanley's website at [www.morganstanley.com/about-us-ir](http://www.morganstanley.com/about-us-ir) and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

This Second Registration Document Supplement is available on Morgan Stanley's website at [www.morganstanleyiq.eu](http://www.morganstanleyiq.eu) and on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

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

<b>Document filed</b>	<b>Information incorporated by reference</b>	<b>Page</b>
<b>Morgan Stanley</b>		
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
	(4) Properties	22
	(5) Legal Proceedings	23-28
	(6) Mine Safety Disclosures	28
	(7) Market for Registrant's Common Equity, Related Stockholder Matters, Issuer Purchases of Equity Securities	29-30
	(8) Selected Financial Data	31
	(9) Management's Discussion and Analysis of Financial Condition and Results of Operations	32-74
	(10) Quantitative and Qualitative Disclosures about Market Risk	75-93
	(11) Financial Statements and Supplementary Data	94
	(12) Report of Independent Registered Public Accounting Firm	94
	(13) Consolidated Income Statements	95
	(14) Consolidated Comprehensive Income Statements	96
	(15) Consolidated Balance Sheets	97
	(16) Consolidated Statements of Changes in Total Equity	98

(17)	Consolidated Cash Flow Statements	99
(18)	Notes to Consolidated Financial Statements	100-190
(19)	Financial Data Supplement (Unaudited)	191-194
(20)	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	195
(21)	Controls and Procedures	195-197
(22)	Report of Independent Registered Public Accounting Firm	196
(23)	Other Information	197
(24)	Directors, Executive Officers and Corporate Governance	197
(25)	Executive Compensation	197
(26)	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	197
(27)	Certain Relationships and Related Transactions, and Director Independence	197
(28)	Principal Accountant Fees and Services	197
(29)	Exhibits and Financial Statement Schedules	198
(30)	Form 10-K Summary	198
(31)	Signatures	S-1-S-2

This Second Registration Document Supplement expressly does not incorporate by reference the documents and/or information identified in the cross-reference table below.

<b>Document filed</b>	<b>Information not incorporated by reference</b>	<b>Page</b>
Annual Report on Form 10-K for the year ended 31 December 2016	(a) Exhibit Index	E1-E5

## PART B CONSEQUENTIAL AMENDMENTS TO THE REGISTRATION DOCUMENT

The Registration Document is hereby amended as follows:

1. The paragraphs entitled “Market Risk” through to and including “Acquisition, Divestiture and Joint Venture Risk” on pages 1-11 of the section entitled “RISK FACTORS” shall be deleted in their entirety and replaced with the risk factors set out under the heading “Risk Factors” on pages 12-22 of the Morgan Stanley 2016 10-K, which is incorporated by reference into this Supplement, save that any references in such section of the Morgan Stanley 2016 10-K to “we”, “our” or “us” shall be deemed references to “Morgan Stanley”.

2. The penultimate paragraph on page 53 of the Registration Document shall be deemed 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 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; and*

(b) *in this section “Legal Proceedings and Contingencies” of the Registration Document,*

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

3. On page 54 of the Registration Document, the final paragraph under the heading “Trend Information” shall be deemed to be deleted in its entirety and replaced by the following:

*“There has been no material adverse change in the prospects of Morgan Stanley since 31 December 2016.”*

4. On page 54 of the Registration Document, the paragraph under the heading “Significant Change” shall be deemed to be deleted in its entirety and replaced by the following:

*“There has been no significant change in the financial or trading position of Morgan Stanley since 31 December 2016.”*

5. The section entitled “Selected Financial Information of Morgan Stanley” on page 61 of the Registration Document shall be deemed to be deleted in its entirety and replaced by the following:

*“The remainder of this section contains selected financial information of Morgan Stanley relating to the years ended 31 December 2015 and 31 December 2016. The information 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.*

Consolidated Balance Sheets (\$ 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 (\$ in millions)	As of 31 December 2015	As of 31 December 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

”