
Morgan Stanley International Limited
Country by Country Reporting (“CBCR”)
Year ended 31 December 2014

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Overview of the reporting requirement

Article 89 of the Capital Requirements Directive (“CRD IV”) sets out a Country by Country Reporting (“CBCR”) obligation on CRD IV regulated entities. This obligation was transposed into UK law under Statutory Instrument 2013 No. 3118 Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Morgan Stanley International Limited Group

A single consolidated disclosure has been prepared for Morgan Stanley International Limited (“MSI”) for the year ended 31 December 2014, which incorporates Morgan Stanley’s UK CRD IV regulated entities and subsidiaries and branches of such regulated entities.

The MSI Group is a wholly owned sub-group of the Morgan Stanley Group. The Morgan Stanley Group is a global financial services firm that maintains significant market positions in each of its business segments: Institutional Securities, Wealth Management and Investment Management. The Morgan Stanley Group provides a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. The MSI Group is a key contributor to the execution of the Morgan Stanley Group’s Institutional Securities strategy in Europe, the Middle East and Africa (“EMEA”). The MSI Group provides capital raising; financial advisory services, including advice on mergers and acquisitions, restructurings, real estate and project finance; corporate lending; sales, trading, financing and market-making activities in equity and fixed income securities and related products, including foreign exchange and commodities; and investment activities.

Whilst the MSI Group is a material sub-group, the information disclosed in this document is not necessarily indicative of the Morgan Stanley Group as a whole, nor is the information comprehensively representative of the Morgan Stanley Group’s activity in any particular region.

Country disclosure by entity

Pages 6 to 11 of this document provides a list of all legal entities and branches contained in the disclosure, including details of the nature of activities of each entity and geographical location. The majority of entities have been classified as financial services related entities, with CRD IV UK regulated entities also noted.

Overview of the CBCR table

The CBCR table on page 5 sets out information on turnover, profits and losses generated, corporate income tax paid and received and number of employees for the MSI Group for the year ended 31 December 2014, split by geographical location. The MSI Group did not receive any public

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Overview of the CBCR table (continued)

subsidiaries during the year ended 31 December 2014 that are required to be reported within this disclosure.

Turnover and profit/(loss) before tax amounts are reported in accordance with UK generally accepted accounting principles (“GAAP”), whilst corporate income tax amounts disclosed below are on a cash paid basis, in accordance with CBCR requirements. Corporate income tax paid and received in the year will not directly correspond to accounting profits and losses reported in the same year due to timing differences as an element of the payments will relate to prior years.

Information disclosed below contains details of corporate income tax paid and received; however, the MSI Group incurs a range of other taxes which do not form part of this disclosure, including withholding taxes, UK Bank Levy, social security and VAT. If these taxes had been disclosed this would have significantly increased the value of taxes paid by the MSI Group during the year ended 31 December 2014.

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Independent Country-by-Country Reporting Assurance Report to the Members of Morgan Stanley International Limited

We have been engaged by the Directors of Morgan Stanley International Limited (“the Company”) to conduct a reasonable assurance engagement relating to the Country-by-Country Reporting (“CBCR”) disclosures set out on pages 1-2 and 5-11 for the year ended 31 December 2014.

In our opinion, the Country-by-Country Reporting disclosures for the year ended 31 December 2014 have been prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Respective responsibilities of the directors and assurance provider

The Directors are responsible for preparing the CBCR disclosures in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013, for the appropriateness of the basis of preparation and the Interpretation of the Regulations as they affect the preparation of the disclosure, and for such internal control as the directors determine is necessary to enable the preparation of the schedule that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express a conclusion on the CBCR disclosures based on our procedures. We conducted our engagement in accordance with International Standard on Assurance Engagements ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB), in order to state whether the CBCR disclosures have been prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Our engagement provides reasonable assurance as defined in ISAE 3000. Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the following: the use of selective testing, the inherent limitations of internal control, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

Our procedures consisted primarily of:

- obtaining an understanding of the Company’s business, including the design and implementation of internal control relevant to collection of the information used to prepare the CBCR disclosures. This included discussions with Group management responsible for the CBCR disclosures;
- considering the risk of material misstatement of the CBCR disclosures;
- testing the operating effectiveness of internal controls over collection and aggregation of the data underlying the CBCR disclosures. This testing was designed to provide evidence to support our opinion on the CBCR disclosures and not for the purpose of expressing an opinion on the effectiveness of those internal controls; and
- testing underlying data on a sample basis.

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Independent Country-by-Country Reporting Assurance Report to the Members of Morgan Stanley International Limited (continued)

Basis of Preparation and Restriction of Distribution

Our report is made solely to the company’s members, as a body, in accordance with ISAE 3000. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company’s members as a body for our work, this report, or for the conclusions we have formed.

Without modifying our opinion, we draw attention to the fact that the schedule may not be suitable for any other purpose other than meeting the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013, in accordance with which it has been prepared.

Independence

In conducting our engagement, we have complied with the ICAEW Code of Ethics.



James Polson for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK

27 November 2015

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Country by Country Reporting table for the year ended 31 December 2014

Country	Turnover (\$MM)	Profit/(loss) before tax (\$MM)	Corporate income tax paid/(received) (\$MM)	Full time equivalent number of employees
UNITED KINGDOM	4,848	(384)	-	4,586
FRANCE	201	70	2	103
SOUTH KOREA	108	45	7	124
RUSSIAN FEDERATION	93	19	2	77
ITALY	51	1	2	81
UNITED ARAB EMIRATES	41	5	-	39
PEOPLE'S REPUBLIC OF CHINA	29	16	2	41
SWITZERLAND	24	-	1	25
REPUBLIC OF TAIWAN	23	3	5	48
NETHERLANDS	16	6	12	6
SPAIN	11	11	3	-
JERSEY	6	6	-	-
POLAND	5	-	-	5
GERMANY	3	-	(1)	6
QATAR	2	-	-	2
GREECE	2	-	-	1
LUXEMBOURG	1	(4)	2	15
SUB TOTAL	5,464	(206)	37	5,159
INTER-COUNTRY ELIMINATIONS	(60)	-	-	-
TOTAL	5,404	(206)	37	5,159

Notes on the disclosure:

Balances disclosed above are rounded to the nearest \$million with respect to turnover, profit/ (loss) before tax and corporate income tax paid/ (received).

Country: Country location under which an entity’s activity is reported is primarily based on the country of incorporation/legal registration and on other factors such as the tax residence. In most cases all of these factors are consistent; however, where they differ the tax residence of an entity has been used as the determining factor in classifying activities.

Turnover: Turnover is defined as ‘net gains on financial instruments classified as held for trading’, ‘net gains on financial instruments designated at fair value through profit or loss’, ‘net gains on available-for-sale financial assets’, ‘interest income’ net of ‘interest expense’ and ‘other income’. Turnover amounts per country are disclosed net of intra-country eliminations.

Profit/(loss) before tax: represents accounting profits/(losses) under UK GAAP.

Corporate income tax paid/(received) details the value of corporate income tax paid/(received) on a cash basis. See page 2 for further information.

Full time equivalent number of employees: is the average full time equivalent number of employees for the year legally employed by entities within the MSI Group, excluding contractors.

Inter-country eliminations: represents the elimination of intra-group cross-border turnover.

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Country Disclosure by Entity for year ended 31 December 2014

Details of the subsidiaries and branches of the MSI Group as at 31 December 2014 are as follows:

Name of Subsidiary/Branch	Geographical Location	Nature of Activities
MORGAN STANLEY EQUITY FINANCE (DENMARK) APS	DENMARK	FINANCIAL SERVICES
MORGAN STANLEY & CO. INTERNATIONAL PLC (PARIS BRANCH)	FRANCE	FINANCIAL SERVICES
MORGAN STANLEY (FRANCE) SAS	FRANCE	FINANCIAL SERVICES
MORGAN STANLEY BANK INTERNATIONAL LIMITED NIEDERLASSUNG DEUTSCHLAND (BRANCH)	GERMANY	DORMANT
MORGAN STANLEY HAVEL GMBH	GERMANY	INVESTMENT HOLDING COMPANY
MORGAN STANLEY INVESTMENT MANAGEMENT LIMITED (GERMAN BRANCH)	GERMANY	FINANCIAL SERVICES
MORGAN STANLEY WERTPAPIERE GMBH	GERMANY	FINANCIAL SERVICES
MORGAN STANLEY INVESTMENT MANAGEMENT LIMITED (GREECE BRANCH)	GREECE	FINANCIAL SERVICES
MORGAN STANLEY BANK INTERNATIONAL LIMITED (MILAN BRANCH)	ITALY	FINANCIAL SERVICES
MORGAN STANLEY INVESTMENT MANAGEMENT LIMITED (MILAN BRANCH)	ITALY	FINANCIAL SERVICES
COTTENDEN FINANCING UNLIMITED	JERSEY	FINANCIAL SERVICES
MORGAN STANLEY BANK INTERNATIONAL LIMITED (SEOUL BRANCH)	SOUTH KOREA	FINANCIAL SERVICES
MORGAN STANLEY & CO. INTERNATIONAL PLC (SEOUL BRANCH)	SOUTH KOREA	FINANCIAL SERVICES
MORGAN STANLEY CORPORATE HOLDINGS (LUXEMBOURG)	LUXEMBOURG	INVESTMENT HOLDING COMPANY
MORGAN STANLEY EQUITY DERIVATIVE SERVICES (LUXEMBOURG) S.A.R.L	LUXEMBOURG	FINANCIAL SERVICES
MORGAN STANLEY EQUITY INVESTMENTS (LUXEMBOURG)	LUXEMBOURG	INVESTMENT HOLDING COMPANY
MORGAN STANLEY GRUND S.A.R.L	LUXEMBOURG	FINANCIAL SERVICES
MORGAN STANLEY INVESTMENT MANAGEMENT LIMITED (LUXEMBOURG BRANCH)	LUXEMBOURG	FINANCIAL SERVICES
MORGAN STANLEY WILTZ S.A.R.L.	LUXEMBOURG	FINANCIAL SERVICES
MORGAN STANLEY EQUITY FINANCE (MALTA) LIMITED	MALTA	FINANCIAL SERVICES

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Name of Subsidiary/Branch	Geographical Location	Nature of Activities
GLOBAL EQUITY HIGH YIELD FUND B.V.	NETHERLANDS	FINANCIAL SERVICES
MORGAN STANLEY & CO. INTERNATIONAL PLC (AMSTERDAM BRANCH)	NETHERLANDS	FINANCIAL SERVICES
MORGAN STANLEY DERIVATIVE PRODUCTS (NETHERLANDS) B.V.	NETHERLANDS	FINANCIAL SERVICES
MORGAN STANLEY EQUITY HOLDING (NETHERLANDS) B.V.	NETHERLANDS	INVESTMENT HOLDING COMPANY
MORGAN STANLEY INVESTMENT MANAGEMENT LIMITED (NETHERLANDS BRANCH)	NETHERLANDS	FINANCIAL SERVICES
MORGAN STANLEY BANK INTERNATIONAL (CHINA) LIMITED	PEOPLE'S REPUBLIC OF CHINA	FINANCIAL SERVICES
MORGAN STANLEY BANK INTERNATIONAL (CHINA) LIMITED (BEIJING BRANCH)	PEOPLE'S REPUBLIC OF CHINA	FINANCIAL SERVICES
MORGAN STANLEY & CO INTERNATIONAL PLC (WARSAW BRANCH)	POLAND	FINANCIAL SERVICES
MORGAN STANLEY DERIVATIVE PRODUCTS (PORTUGAL), UNIPESSO	PORTUGAL	FINANCIAL SERVICES
MORGAN STANLEY & CO. INTERNATIONAL PLC (QFC BRANCH)	QATAR	FINANCIAL SERVICES
OOO MORGAN STANLEY BANK	RUSSIAN FEDERATION	FINANCIAL SERVICES
MORGAN STANLEY DERIVATIVE PRODUCTS (SINGAPORE) PTE. LTD	SINGAPORE	DORMANT
CLEARCREEK, S.L.U.	SPAIN	FINANCIAL SERVICES
MORGAN STANLEY DERIVATIVE PRODUCTS SPAIN S.L.	SPAIN	FINANCIAL SERVICES
MORGAN STANLEY EQUITY FINANCING SERVICES (SWEDEN) AB	SWEDEN	FINANCIAL SERVICES
MORGAN STANLEY & CO. INTERNATIONAL PLC, LONDON, (ZURICH BRANCH)	SWITZERLAND	FINANCIAL SERVICES
MORGAN STANLEY TAIWAN LIMITED	REPUBLIC OF TAIWAN	FINANCIAL SERVICES
MORGAN STANLEY & CO. INTERNATIONAL PLC (DIFC BRANCH)	UNITED ARAB EMIRATES	FINANCIAL SERVICES
MORGAN STANLEY EQUITY TRADING (DIFC) LIMITED	UNITED ARAB EMIRATES	FINANCIAL SERVICES

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Name of Subsidiary/Branch	Geographical Location	Nature of Activities
BAYFINE UK PRODUCTS	UNITED KINGDOM	FINANCIAL SERVICES
CABOT 38 LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
DRAKE II INVESTMENTS LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
EAST SUSSEX FINANCING LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY & CO. INTERNATIONAL PLC	UNITED KINGDOM	FINANCIAL SERVICES (CRD IV regulated entity)
MORGAN STANLEY & CO. LIMITED	UNITED KINGDOM	FINANCIAL SERVICES (CRD IV regulated entity)
MORGAN STANLEY AMALTHEA UK LIMITED	UNITED KINGDOM	SERVICE COMPANY
MORGAN STANLEY ANGEL LIMITED	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY BANK INTERNATIONAL LIMITED	UNITED KINGDOM	FINANCIAL SERVICES (CRD IV regulated entity)
MORGAN STANLEY BOWLINE LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY BRAMLEY INVESTMENTS LIMITED	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY COOPER INVESTMENTS LIMITED	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY CUMBRIA INVESTMENTS	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY DEAN WITTER EMPLOYEE TRUST	UNITED KINGDOM	SERVICE COMPANY
MORGAN STANLEY DOLOR LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY DORSET INVESTMENTS LIMITED	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY DURHAM INVESTMENTS LIMITED	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY EQUITY FINANCING LIMITED	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY EQUITY INVESTMENTS (UK) LIMITED	UNITED KINGDOM	FINANCIAL SERVICES

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Name of Subsidiary/Branch	Geographical Location	Nature of Activities
MORGAN STANLEY FINANCE (C.I.) LIMITED	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY FINANCE LIMITED	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY GROUP (EUROPE)	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY HAMPSTEAD LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY HEYTHORP INVESTMENTS	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY HOXNE	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY HUMBOLDT INVESTMENTS LIMITED	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY INTERNATIONAL LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY INVESTMENT MANAGEMENT (ACD) LIMITED	UNITED KINGDOM	FINANCIAL SERVICES (CRD IV regulated entity)
MORGAN STANLEY INVESTMENT MANAGEMENT LIMITED	UNITED KINGDOM	FINANCIAL SERVICES (CRD IV regulated entity)
MORGAN STANLEY INVESTMENTS (UK)	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY KOCHI LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY LANGTON LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY LANGTREE INVESTMENTS B.V.	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY LONGCROSS LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY MALLARD INVESTMENTS LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY MAPLE INVESTMENTS LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY MILLBRAE INVESTMENTS B.V.	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY MONTGOMERIE INVESTMENTS LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY

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Name of Subsidiary/Branch	Geographical Location	Nature of Activities
MORGAN STANLEY MONTROSE INVESTMENTS LIMITED	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY NORTHCOTE INVESTMENTS LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY OOSTBURG B.V.	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY PENBERTHY LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY PENSION TRUSTEE LIMITED	UNITED KINGDOM	DORMANT
MORGAN STANLEY PROPUS	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY RALEIGH INVESTMENTS LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY RIVELINO INVESTMENTS LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY SECURITIES LIMITED	UNITED KINGDOM	FINANCIAL SERVICES (CRD IV Regulated entity)
MORGAN STANLEY SERVICES (UK) LIMITED	UNITED KINGDOM	SERVICE COMPANY
MORGAN STANLEY SILVERMERE LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY STRATEGIC FUNDING LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY STRATEGIC INVESTMENTS LIMITED	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY TOSTAO LIMITED	UNITED KINGDOM	FINANCIAL SERVICES
MORGAN STANLEY TRUSTEE LIMITED	UNITED KINGDOM	DORMANT
MORGAN STANLEY TURNBERRY LIMITED	UNITED KINGDOM	INVESTMENT HOLDING COMPANY
MORGAN STANLEY UK GROUP	UNITED KINGDOM	SERVICE COMPANY
MORGAN STANLEY UK LIMITED	UNITED KINGDOM	SERVICE COMPANY
MORGAN STANLEY WATERLOO LIMITED	UNITED KINGDOM	FINANCIAL SERVICES

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Name of Subsidiary/Branch	Geographical Location	Nature of Activities
MORSTAN NOMINEES LIMITED	UNITED KINGDOM	NOMINEE COMPANY
NORWEGIAN ENERGY LIMITED	UNITED KINGDOM	COMMODITIES COMPANY
ROLYMPUS (UK) COMMODITIES GROUP LIMITED	UNITED KINGDOM	COMMODITIES COMPANY
SHAVANO COOPERATIEVE U.A.	UNITED KINGDOM	FINANCIAL SERVICES
V2 MUSIC (HOLDINGS) LIMITED	UNITED KINGDOM	FINANCIAL SERVICES
WOHLER INVESTMENTS LLP	UNITED KINGDOM	FINANCIAL SERVICES