

Morgan Stanley

Morgan Stanley International Limited

**Country by Country Reporting
Year ended 31 December 2022**

Morgan Stanley International Limited

Country by Country Reporting

Year ended 31 December 2022

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 United Kingdom (“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”) Group for the year ended 31 December 2022, which incorporates Morgan Stanley’s MSI 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 principal activity of the MSI Group is the provision of financial services to corporations, governments and financial institutions. Morgan Stanley Group is a global financial services firm.

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 8 of this document provides a list of all legal entities and branches of the MSI Group as at 31 December 2022, 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.

Overview of the CBCR table

The CBCR table on page 5 sets out information on turnover, profits before tax generated, corporate income tax paid and received and number of employees for the MSI Group for the year ended 31 December 2022, split by geographical location. The MSI Group did not receive any public subsidies during the year ended 31 December 2022 that are required to be reported within this disclosure.

Turnover and profit before tax amounts are reported in accordance with the basis of preparation detailed in the MSI Group 2022 consolidated non statutory financial information, whilst corporate income tax amounts disclosed on the following page 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 a portion of the payments and receipts will relate to prior years.

Information disclosed below contains details of corporate income tax paid and received and withholding taxes suffered; however, the MSI Group incurs a range of other taxes which do not form part of this disclosure, including 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 2022.

Morgan Stanley International Limited

Country by Country Reporting

Year ended 31 December 2022

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 Group”) to conduct a reasonable assurance engagement relating to the Country-by-Country Reporting (“CBCR”) disclosure set out on pages 2 and 5-8 for the year ended 31 December 2022.

In our opinion, the Country-by-Country Reporting disclosure for the year ended 31 December 2022 has been prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013 (the “Regulations”).

Respective Responsibilities

The Directors are responsible for preparing the CBCR disclosure in accordance with the Regulations.

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 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB), to state whether the CBCR disclosure have been prepared, in all material respects, in accordance with the Regulations.

Summary of Our Work

We obtained reasonable assurance as defined in ISAE 3000 (Revised). Reasonable assurance is not absolute assurance because 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:

- Considering the risk of material misstatement of the CBCR disclosures;
- Obtaining an understanding of the Group’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;
- Where appropriate, 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;
- Agreeing the underlying data for turnover and profit before tax to the corresponding audited financial statements; and
- Testing the accuracy and completeness of underlying data for corporation tax paid and employee headcount on a sample basis.

Our Independence and Competence

In conducting our engagement, we complied with the independence requirements of the FRC’s Ethical Standard and the ICAEW Code of Ethics. The ICAEW Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We applied the International Standard on Quality Management (UK) 1 (“ISQM (UK) 1”), issued by the Financial Reporting Council. Accordingly, we maintained a comprehensive system of quality including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Morgan Stanley International Limited

Country by Country Reporting

Year ended 31 December 2022

Use of Our Report

This report is made solely to the Directors of the Group, as a body, in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the Directors of the Group those matters we are required to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Group and the Directors of the Group, we acknowledge that the Directors of the Group may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Directors of the Group as a body, for our work, for this report, or for the conclusions we have formed.

DocuSigned by:

Deloitte LLP

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Deloitte LLP

Statutory Auditor

London, UK

21 September 2023

Morgan Stanley International Limited

Country by Country Reporting

Year ended 31 December 2022

Country by Country Reporting table for the year ended 31 December 2022

| Country | Turnover (\$'millions) | Profit before tax (\$'millions) | Corporate incomes tax paid / (received) (\$'millions) | Full time equivalent number of employees |
|----------------------------|---------------------------|------------------------------------|---|--|
| UNITED KINGDOM | 8,916 | 1,699 | 208 | 6,420 |
| IRELAND | 1,079 | 7 | 1 | 24 |
| GERMANY | 592 | 120 | 88 | 425 |
| FRANCE | 216 | 32 | 43 | 228 |
| REPUBLIC OF KOREA | 118 | 42 | 36 | 117 |
| ITALY | 68 | 11 | 14 | 92 |
| SPAIN | 62 | 4 | 4 | 100 |
| TAIWAN | 56 | 14 | 4 | 62 |
| UNITED ARAB EMIRATES | 36 | 6 | — | 49 |
| SWEDEN | 32 | 6 | 6 | 20 |
| SWITZERLAND | 21 | 3 | 1 | 29 |
| RUSSIAN FEDERATION | 11 | (1) | 1 | 13 |
| NETHERLANDS | 10 | 3 | — | 7 |
| POLAND | 5 | 1 | — | 6 |
| LUXEMBOURG | 4 | 2 | — | 13 |
| PEOPLE'S REPUBLIC OF CHINA | 3 | 1 | (3) | 12 |
| DENMARK | 3 | — | — | 3 |
| QATAR | 1 | — | — | 2 |
| MALTA | 1 | 1 | — | — |
| SUBTOTAL | 11,234 | 1,951 | 403 | 7,622 |
| WITHOLDING TAX | | | 107 | |
| INTER-COUNTRY ELIMINATIONS | (1,387) | | | |
| TOTAL | 9,847 | 1,951 | 510 | 7,622 |

Notes on the disclosure

Balances disclosed above are rounded to the nearest \$'million with respect to turnover, profit 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 revenues'. Turnover amounts per country are disclosed net of intra-country eliminations.

Profit before tax: represents accounting profits in accordance with the recognition and measurement principles of IFRS.

Corporate income tax paid/ (received): details the value of corporate income tax paid/ (received) on a cash basis, in addition to withholding tax. Withholding tax comprises the tax charged on dividends or other income received, which is typically paid at the point of a distribution from one country to another. For the year ended 31 December 2022, UK entities had \$107 million of withholding tax suffered from their overseas income. Under UK tax rules, where a UK entity is taxed on its worldwide income, the withholding tax deducted can be offset against its UK corporation tax in order to prevent the same income being taxed twice. The withholding tax suffered has been disclosed separately from corporation income tax paid/ (received) by country in the table above. The UK total tax paid also includes tax paid on behalf of other non-MSI Group entities by virtue of a Group Payment Arrangement. Tax paid by MSI may be subject to reallocation in future years. These tax payments and reallocations are recognised in the year in which they are paid or reallocated.

Morgan Stanley International Limited

Country by Country Reporting

Year ended 31 December 2022

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.

Country Disclosure by Entity for period ended 31 December 2022

Details of the subsidiaries and branches of the MSI Group as at 31 December 2022 are as follows:

| Name of Subsidiaries / Branch | Geographical Location | Nature of Activities |
|---|-----------------------|----------------------|
| DRAKE II INVESTMENTS LIMITED | UNITED KINGDOM | FINANCIAL SERVICES |
| EATON VANCE GLOBAL ADVISORS LIMITED | IRELAND | FINANCIAL SERVICES |
| EATON VANCE GLOBAL ADVISORS LIMITED (GERMANY BRANCH) | GERMANY | FINANCIAL SERVICES |
| GLOBAL EQUITY HIGH YIELD FUND B.V. | NETHERLANDS | FINANCIAL SERVICES |
| MORGAN STANLEY & CO. INTERNATIONAL PLC | UNITED KINGDOM | FINANCIAL SERVICES |
| MORGAN STANLEY & CO. INTERNATIONAL PLC (DIFC BRANCH) | UNITED ARAB EMIRATES | FINANCIAL SERVICES |
| MORGAN STANLEY & CO. INTERNATIONAL PLC (PARIS BRANCH) | FRANCE | FINANCIAL SERVICES |
| MORGAN STANLEY & CO. INTERNATIONAL PLC (QFC BRANCH) | QATAR | FINANCIAL SERVICES |
| MORGAN STANLEY & CO. INTERNATIONAL PLC (SEOUL BRANCH) | REPUBLIC OF KOREA | FINANCIAL SERVICES |
| MORGAN STANLEY & CO. INTERNATIONAL PLC, LONDON, (ZURICH BRANCH) | SWITZERLAND | FINANCIAL SERVICES |
| MORGAN STANLEY & CO. LIMITED | UNITED KINGDOM | FINANCIAL SERVICES |
| MORGAN STANLEY BANK INTERNATIONAL LIMITED | UNITED KINGDOM | FINANCIAL SERVICES |
| MORGAN STANLEY BANK INTERNATIONAL LIMITED (SEOUL BRANCH) | REPUBLIC OF KOREA | FINANCIAL SERVICES |
| MORGAN STANLEY CLIENT SECURITIES NOMINEES LIMITED | UNITED KINGDOM | NOMINEE COMPANY |
| MORGAN STANLEY CORPORATE HOLDINGS UNLIMITED COMPANY | LUXEMBOURG | HOLDING COMPANY |
| MORGAN STANLEY DERIVATIVE PRODUCTS (NETHERLANDS) B.V. | NETHERLANDS | FINANCIAL SERVICES |
| MORGAN STANLEY DERIVATIVE PRODUCTS SPAIN S.L. | SPAIN | FINANCIAL SERVICES |
| MORGAN STANLEY EMPLOYMENT SERVICES UK LIMITED | UNITED KINGDOM | SERVICE COMPANY |
| MORGAN STANLEY EQUITY FINANCE (MALTA) LIMITED | MALTA | FINANCIAL SERVICES |
| MORGAN STANLEY EQUITY HOLDING (NETHERLANDS) B.V. | NETHERLANDS | FINANCIAL SERVICES |
| MORGAN STANLEY EQUITY INVESTMENTS UNLIMITED COMPANY | IRELAND | HOLDING COMPANY |
| MORGAN STANLEY EQUITY INVESTMENTS (UK) LIMITED | UNITED KINGDOM | FINANCIAL SERVICES |
| MORGAN STANLEY EUROPE HOLDING SE | GERMANY | HOLDING COMPANY |
| MORGAN STANLEY EUROPE SE | GERMANY | FINANCIAL SERVICES |
| MORGAN STANLEY EUROPE SE - PARIS BRANCH | FRANCE | FINANCIAL SERVICES |
| MORGAN STANLEY EUROPE SE - STOCKHOLM BRANCH | SWEDEN | FINANCIAL SERVICES |
| MORGAN STANLEY EUROPE SE - AMSTERDAM BRANCH | NETHERLANDS | FINANCIAL SERVICES |
| MORGAN STANLEY EUROPE SE - WARSAW BRANCH | POLAND | FINANCIAL SERVICES |
| MORGAN STANLEY EUROPE SE - MILAN BRANCH | ITALY | FINANCIAL SERVICES |
| MORGAN STANLEY EUROPE SE - MADRID BRANCH | SPAIN | FINANCIAL SERVICES |

Morgan Stanley International Limited

Country by Country Reporting

Year ended 31 December 2022

| Name of Subsidiaries / Branch | Geographical Location | Nature of Activities |
|---|-----------------------|----------------------------|
| MORGAN STANLEY EUROPE SE - COPENHAGEN BRANCH | DENMARK | FINANCIAL SERVICES |
| MORGAN STANLEY BANK AG | GERMANY | FINANCIAL SERVICES |
| MORGAN STANLEY FRANCE HOLDINGS I S.A.S. | FRANCE | HOLDING COMPANY |
| MORGAN STANLEY FRANCE HOLDINGS II S.A.S. | FRANCE | HOLDING COMPANY |
| MORGAN STANLEY FRANCE S.A. | FRANCE | FINANCIAL SERVICES |
| MORGAN STANLEY GROUP (EUROPE) | UNITED KINGDOM | HOLDING COMPANY |
| MORGAN STANLEY GRUND S.A.R.L | LUXEMBOURG | FINANCIAL SERVICES |
| MORGAN STANLEY HAVEL GMBH | GERMANY | HOLDING COMPANY |
| MORGAN STANLEY HEYTHORP INVESTMENTS UNLIMITED COMPANY | IRELAND | HOLDING COMPANY |
| 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 | INVESTMENT MANAGEMENT |
| MORGAN STANLEY INVESTMENT MANAGEMENT (IRELAND) LIMITED | IRELAND | INVESTMENT MANAGEMENT |
| MORGAN STANLEY INVESTMENT MANAGEMENT LIMITED | UNITED KINGDOM | INVESTMENT MANAGEMENT |
| MORGAN STANLEY INVESTMENT MANAGEMENT LTD - DIFC REP. OFFICE | UNITED ARAB EMIRATES | INVESTMENT MANAGEMENT |
| MORGAN STANLEY INVESTMENT MANAGEMENT LIMITED - AMSTERDAM BRANCH | NETHERLANDS | INVESTMENT MANAGEMENT |
| MORGAN STANLEY INVESTMENT MANAGEMENT LIMITED - UNITA' OPERATIVA | ITALY | INVESTMENT MANAGEMENT |
| MORGAN STANLEY INVESTMENTS (UK) | UNITED KINGDOM | HOLDING COMPANY |
| MORGAN STANLEY LANGTON LIMITED | UNITED KINGDOM | HOLDING COMPANY |
| MORGAN STANLEY LONGCROSS LIMITED | UNITED KINGDOM | HOLDING COMPANY |
| MORGAN STANLEY PENSION TRUSTEE LIMITED | UNITED KINGDOM | TRUSTEE SERVICES |
| MORGAN STANLEY SECURITIES LIMITED | UNITED KINGDOM | FINANCIAL SERVICES |
| MORGAN STANLEY SERVICES (UK) LIMITED | UNITED KINGDOM | SERVICE COMPANY |
| MORGAN STANLEY STRATEGIC INVESTMENTS LIMITED | UNITED KINGDOM | FINANCIAL SERVICES |
| MORGAN STANLEY TAIWAN LIMITED | TAIWAN | FINANCIAL SERVICES |
| MORGAN STANLEY UK GROUP | UNITED KINGDOM | SERVICE COMPANY |
| MORGAN STANLEY UK GROUP EXCEPTED LIFE ASSURANCE SCHEME | UNITED KINGDOM | SERVICE COMPANY |
| MORGAN STANLEY UK GROUP PARTNERS EXCEPTED LIFE ASSURANCE SCHEME | UNITED KINGDOM | SERVICE COMPANY |
| MORGAN STANLEY UK HEALTHCARE TRUST | UNITED KINGDOM | SERVICE COMPANY |
| MORGAN STANLEY UK LIMITED | UNITED KINGDOM | SERVICE COMPANY |
| MORSTAN NOMINEES LIMITED | UNITED KINGDOM | NOMINEE COMPANY |
| MSIM FUND MANAGEMENT (IRELAND) LIMITED | IRELAND | INVESTMENT MANAGEMENT |
| MSIM FUND MANAGEMENT (IRELAND) LTD - LUXEMBOURG BRANCH | LUXEMBOURG | INVESTMENT MANAGEMENT |
| MSIM FUND MANAGEMENT (IRELAND) LTD - AMSTERDAM BRANCH | NETHERLANDS | INVESTMENT MANAGEMENT |
| MSIM FUND MANAGEMENT (IRELAND) LTD - FRANKFURT BRANCH | GERMANY | INVESTMENT MANAGEMENT |
| MSIM FUND MANAGEMENT (IRELAND) LTD - Sucursal en España | SPAIN | INVESTMENT MANAGEMENT |
| MSIM FUND MANAGEMENT (IRELAND) LTD - MILAN BRANCH | ITALY | INVESTMENT MANAGEMENT |

Morgan Stanley International Limited

Country by Country Reporting

Year ended 31 December 2022

| Name of Subsidiaries / Branch | Geographical Location | Nature of Activities |
|--|-----------------------|-----------------------|
| MSIM FUND MANAGEMENT (IRELAND) LTD - PARIS BRANCH | FRANCE | INVESTMENT MANAGEMENT |
| MSIM FUND MANAGEMENT (IRELAND) LTD - COPENHAGEN BRANCH | DENMARK | INVESTMENT MANAGEMENT |
| MORGAN STANLEY LIMITED LIABILITY COMPANY | RUSSIAN FEDERATION | FINANCIAL SERVICES |
| MORGAN STANLEY EURO FINANCING UNLIMITED COMPANY | IRELAND | FINANCIAL SERVICES |