
WRITTEN NOTICE IRB PERMISSION

To: Morgan Stanley International Limited (FRN: 218356) (the "company")

Address: 25 Cabot Square, London, E14 4QA

Date: 20/12/2021

DECISIONS

1. In November 2007, Morgan Stanley & Co International Plc, Morgan Stanley Bank International Ltd and Morgan Stanley Investment Management Ltd (each a "firm" and together the "firms") were granted an IRB waiver under s138A of the Financial Services and Markets Act 2000 (the "Act") by the Prudential Regulation Authority ("PRA"). In accordance with Waivers Transitional Provisions 2.1(2) of the PRA Rulebook the firm's IRB waiver took effect on 1 January 2014 as permissions granted by the PRA under Chapter 3, Title II, Part Three of Regulation 575/2013 of the European Parliament and of the Council of 26th June 2013 on prudential requirements for credit institutions and investment firms. The permission applied on the consolidated basis of Morgan Stanley Bank International Ltd. The company has been granted the permission on a consolidated basis to calculate its risk weighted exposure amounts using the Internal Ratings Based Approach ("IRB Approach") on the terms and conditions set out in Annex 1 (the "IRB Permission").

2. If the company ceases to comply with the conditions for granting of this IRB Permission set out in Chapter 3, Title II, Part Three of the CRR, or the terms and conditions of the IRB Permission set out in Annex 1, the PRA will re-consider the terms and conditions of the IRB Permission and the requirements relevant to it, including a revocation of the IRB Permission in whole or in part.

3. The IRB Permission takes effect on 20/12/2021.

4. Details of the IRB Permission will be published.
5. The full text of this Decision Notice will not be published. However, in the interests of transparency, the PRA's policy is to publish an abridged version of the permission notice as a record that the IRB permission has been granted.
6. Annex 3 summaries any previous variations of the IRB Permission.

The decision was taken by SRPC.

ANNEX 1

THE INTERNAL RATINGS BASED PERMISSION

Legal Entities

1. The IRB Permission means that the company may apply the internal ratings based approach to the legal entities in its calculation of own funds requirements on the following basis:
 - a. On the consolidated situation of Morgan Stanley International Limited, including regulated and unregulated entities.

ANNEX 2

EXPECTATIONS RELEVANT TO THE IRB PERMISSION

It is the PRA's expectation that the company will submit, on an annual basis, an inventory of

- (i) all ratings systems; and
- (ii) all internal approaches to equity exposures which are included within the scope of its IRB Permission as of 30 September of that year. The company will submit the inventory no later than 31 December of the relevant year.



Annex 3

VERSION CONTROL SCHEDULE

Version	Comment	Authorisation	Date
1.0	IRB Direction issued.	Morgan Stanley Relationship	06th November 2007
1.1	Removal of Morgan Stanley Securities ACD Ltd.	ACTS reference number 11241	28th November 2007
1.2	Removal of Morgan Stanley Capital Group Limited "MSCGL" due to de-authorisation of this entity.	Andy Murfin.	10th August 2012
1.3	Removal of Morgan Stanley Investment Management ACD Ltd and Morgan Stanley	ACTS reference number 11241	1st January 2014
1.4	Removal of Morgan Stanley Securities Ltd due to de-authorisation of this entity.	ACTS reference number 11241	25th September 2015
1.5	Morgan Stanley was given permission to implement a revised probability of default (PD) methodology.	ACTS reference number 11089	11th April 2016
1.6	Morgan Stanley was given permission to apply the supervisory slotting criteria approach.	ACTS reference number 8563	06th July 2016
2	Repapered waiver direction into a CRR Written Notice.	ACTS reference number 11241	28th November 2016
3	Morgan Stanley was given permission change the Bank's probability of default methodology.	ACTS reference number 23648	18 th September 2017
3.1	Morgan Stanley was given permission to change the Bank's methodology for Sovereign Supported Credit.	ACTS reference number 25939	18 January 2018
3.2	Morgan Stanley was given permission to implement a new rating methodology for Hybrid Funds.	ACTS reference number 27179	6 th June 2018
3.3	Morgan Stanley was given permission to amend their model used to rate subsidiaries and holding companies of insurance companies.	ACTS reference number 32043	12 th November 2018

3.4	Morgan Stanley was given permission to introduce a new model methodology to rate Supranationals	ACTS reference number 33119	19 th February 2019
3.5	Morgan Stanley was given permission to amend their model used to rate Foreign, Regional and Local Governments.	ACTS reference number 35421	19 th June 2019
3.6	Morgan Stanley was given permission to implement an updated rating methodology to cover Central Counterparties (CCPs).	ACTS reference number 36203	3 rd December 2019
3.7	Morgan Stanley was given permission to implement a redeveloped rating methodology for Broker-Dealers to replace their existing model.	ACTS reference number 36384	21 st August 2020
3.8	Morgan Stanley was given permission to implement a Margin of Conservatism framework.	ACTS reference number: 40378	6 th November 2020
3.9	Morgan Stanley was given permission to change its Definition of Default.	ACTS reference number: 40376	6 th November 2020
4.0	Morgan Stanley was given permission to implement a redeveloped rating methodology for its Global Insurance model.	ACTS reference number: 38575	17 th December 2020
4.1	Morgan Stanley was given permission to implement a redeveloped rating methodology for its Universities and Schools model.	ACTS reference number: 38564	17 th December 2020
4.2	Morgan Stanley was given permission to implement a redeveloped rating methodology for its Not-For-Profit (NFP) Healthcare model.	ACTS reference number: 38570	17 th December 2020
4.3	Morgan Stanley was given permission to implement a redeveloped rating methodology for leveraged funds.	ACTS reference number: 40805	16 th February 2021

4.4	Morgan Stanley was given permission to implement a redeveloped rating methodology for non-leveraged funds.	ACTS reference number: 40809	16 th February 2021
4.5	Morgan Stanley was given permission to change the Bank's probability of default methodology.	ACTS reference number: 40377	10th August 2021
4.6	Granting permission to the Financial Holding Company	SRPC	20 December 2021