

Final Terms dated 23 December 2010

Series Number: D1342

Common Code: 057286008

Tranche: 1

ISIN: XS0572860087

Morgan Stanley B.V.

Issue of 1,000,000 Securities Linked to Dar Al Arkan Real Estate Guaranteed by Morgan Stanley
under the Program for the Issuance of Notes, Certificates and Warrants,

PART A – CONTRACTUAL TERMS

THE SECURITIES AND THE GUARANTEE IN RESPECT THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE SECURITIES MAY INCLUDE BEARER SECURITIES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. NEITHER THE ISSUER NOR THE GUARANTOR IS REGISTERED, OR WILL REGISTER, UNDER THE INVESTMENT COMPANY ACT.

INTERESTS IN THIS SECURITY MAY ONLY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (**RULE 144A**) TO A PERSON WHO TAKES DELIVERY IN THE FORM OF AN INTEREST IN A RESTRICTED GLOBAL SECURITY THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER (A **QIB**) WITHIN THE MEANING OF RULE 144A THAT IS ALSO A QUALIFIED PURCHASER (A **QP**) AS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT AND THE RULES THEREUNDER PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS EACH OF WHICH IS A QP WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT SUCH OFFER, SALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, AND IN A NOMINAL AMOUNT OR PURCHASE PRICE FOR EACH ACCOUNT OF NOT LESS THAN U.S.\$100,000 OR (2) TO A PERSON THAT IS NOT A U.S. PERSON (WITHIN THE MEANING OF REGULATION S) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, AND, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION.

THE SECURITIES ARE SENIOR UNSECURED OBLIGATIONS OF MORGAN STANLEY, AND ALL PAYMENTS ON THE SECURITIES ARE SUBJECT TO THE CREDIT RISK OF MORGAN STANLEY. THE SECURITIES ARE NOT BANK DEPOSITS AND ARE NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY, NOR ARE THEY OBLIGATIONS OF, OR GUARANTEED BY, A BANK.

This document constitutes Final Terms relating to the issue of Securities described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Securities Note dated 18 November 2010 (and the Registration Document dated 18 November 2010) which constitute a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus

Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, being the London office of the Fiscal Agent and also at the principal executive offices of Morgan Stanley and the registered office of the Issuer.

Information Concerning Investment Risk

Securityholders and prospective purchasers of Securities should ensure that they understand the nature of the Securities and the extent of their exposure to risk and that they consider the suitability of the Securities as an investment in the light of their own circumstances and financial condition. An investment in the Securities entails risks not associated with investments in a conventional debt security, such as described in section entitled “Risk Factors Relating to the Securities” on pages 60 to 66 of the Base Prospectus. The performance of the Underlying Share will affect the nature and value of the investment return on the Securities. Securityholders and prospective purchasers of Securities should conduct their own investigations and, in deciding whether or not to purchase Securities, prospective purchasers should form their own views of the merits of an investment related to the Underlying Share based upon such investigations and not in reliance on any information given in these Final Terms or, if applicable, any listing document prepared in connection with the listing of the Securities.

Saudi Arabian regulatory practices: The Share Issuer is governed by the laws of the Kingdom of Saudi Arabia (“KSA”), and in particular, the KSA Capital Market Law (“CML”), and the regulations enacted thereunder, and are regulated by the KSA Capital Markets Authority (“CMA”). The regulatory practices of the CMA may not necessarily be similar to the regulatory practices in other jurisdictions. In particular, given the lack of formal system of official reporting and/or official interpretation, and the absence of a system of binding precedent in the KSA, prospective investors or investors should note that the Share Issuer may discharge its obligations, and the CMA may exercise its authority in respect of the Share Issuer in a manner that may impact the the value of the Securities.

Emerging Markets Risk: Fluctuations in the trading prices of the Underlying Share will affect the value of the Certificates. Changes may result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in the related countries / member nations, including economic and political developments in other countries. Of particular importance to potential risk are: (i) rates of inflation; (ii) interest rate levels; (iii) balance of payments; and (iv) the extent of governmental surpluses or deficits in the relevant country. All of these factors are, in turn, sensitive to the monetary, fiscal and trade policies pursued by the related countries, the governments of the related countries and member nations (if any), and other countries important to international trade and finance. Government intervention could materially and adversely affect the value of the Certificates. Governments may use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the trading of the Underlying Share. Thus, a special risk in purchasing the Certificates is that their trading value and amount payable could be affected by the actions of governments, fluctuations in response to other market forces and the movement of currencies across borders. The Underlying Share are all emerging markets stocks that may be more volatile than the stocks in more developed markets.

Adjustments by the Determination Agent: The terms and conditions of the Securities will allow the Determination Agent to make adjustments or take any other appropriate action if circumstances occur where the Securities or any exchanges are affected by market disruption, adjustment events or circumstances affecting normal activities.

Underlying Share Risk: The Securities will be redeemed at an amount determined by reference to the performance of the Underlying Share and such performance will therefore affect the nature and value of the investment return on the Securities. Securityholders and prospective purchasers of Securities should conduct their own investigations and, in deciding whether or not to purchase Securities, prospective purchasers should form their own views of the merits of an investment related to the Underlying Share based upon such investigations and not in reliance on any information given herein.

Currency Risk: While the Securities are denominated and settled in USD, the amounts payable in respect of the Securities are based on the spot foreign exchange rates on the dates indicated in this termsheet. However, the Underlying Share is denominated and trades in Saudi riyal. Accordingly, Investors that will be exposed to variations in exchange rates between Saudi riyal and USD.

In addition, dividends paid on the Underlying Share are also expected to be paid in Saudi riyal. The Distribution however will be calculated in USD based on the Spot FX Rate as determined by the Determination Agent. As a result, the overall return realized by a holder of Securities may differ than the return such holder would have realized had it invested directly in the Underlying Share.

Credit Risk: The holder of the Securities will be exposed to the credit risk of the Issuer and the Guarantor.

Exit Risk: The secondary market price of the Securities will depend on many factors, including the value and volatility of the Underlying Share, interest rates, the dividend rate on the Underlying Share, time remaining to maturity and the creditworthiness of the Issuer. Therefore the holder may receive an amount which may be less than the then intrinsic market value of the Securities and which may also be less than the amount the holder would have received had the holder held the Securities through to maturity.

Hedging Risk: On or prior to and after the Issue Date, the Issuer, through its affiliates or others, will likely hedge or have hedged its anticipated exposure under the Securities by taking positions in the Underlying Share, in option contracts on the Underlying Share, or positions in any other available securities or instruments. In addition, the Issuer and its affiliates trade the Underlying Share as part of their general businesses. Any of these activities could potentially affect the value of the Underlying Share, and accordingly, could affect the payout to holders on the Securities.

Liquidity Risk: Any secondary market in the Securities made by the Dealer will be made on a reasonable efforts basis only and subject to market conditions, law, regulation and internal policy. The liquidity of the Securities reflects the liquidity of the Underlying Share and even whilst there may be a secondary market in the Securities it may not be liquid enough to facilitate a sale by the holder.

No Underlying Shareholder Rights: A holder of Securities will have no beneficial interest in the Underlying Share nor any voting rights and will not have the right to receive dividends or other distributions with respect to the Underlying Share.

Potential Conflict of Interest: The Determination Agent (MSI plc) is an affiliate of the Issuer and the economic interests of the Determination Agent may be adverse to the interests of holders of the Securities. Determinations made by the Determination Agent, including in the event of a Market Disruption Event or otherwise (all as more fully set out in the terms and conditions of the Securities), may affect the amount payable to holders pursuant to the terms of the Securities.

Given the highly specialised nature of these Securities, the Issuer, the Guarantor and the Distribution Agent consider that they are only suitable for sophisticated investors who are able to determine for themselves the risk of an investment linked to the Underlying Share and who are able to bear the loss of any amount invested. Consequently, if you are not such an investor you should not consider purchasing these Securities without taking detailed advice from a specialised professional adviser.

CMA Resolution

The CMA Board of Commissioners resolution 2-28-2008 dated 18 August 2008 (the “CMA Resolution”) allows “Authorised Persons” to enter into derivative transactions with non-resident foreign investors whether institutions or individuals, to transfer the economic benefits of Saudi shares listed on the Saudi Stock Exchange (Tadawul), while Authorised Persons retain the legal ownership of such shares. Pursuant to the conditions specified in the CMA Resolution, Authorised Persons are required to provide certain information on beneficiaries who obtain the economic benefits of Saudi shares.

Representations by Securityholders

In order to ensure that the Issuer, or any of its affiliates that are Authorised Persons for the purpose of the CMA Resolution, can comply with the terms of the CMA Resolution, each holder of the Securities represents and agrees, as a condition of acquiring or holding such Securities that:

1. it is fully aware of the terms of the CMA Resolution;
2. it is a “Non-resident foreign investor” for the purpose of the CMA Resolution and, to the best of its knowledge, it is not purchasing the Securities for, on behalf of, or for the benefit of account of any person or entity that is not a “Non-resident foreign investor”;
3. the Issuer or its Affiliates may be requested to disclose to the CMA details of the purchase of the Security (including without limitation, the name of the purchaser (and where applicable the beneficiary) and the relevant country of origin and investor type (e.g. hedge fund, institution, natural person etc), the underlying Security and the number of Securities and the execution price for the transaction, and any other information requested by the CMA), and the holder of the Security hereby consents to any such disclosure;
4. it will provide the Issuer immediately upon any transfer of ownership of the Securities with the details of the transfer (including without limitation, the name of the transferee (and where applicable the beneficiary) and the relevant country of origin and investor type (e.g. hedge fund, institution, natural person etc), the underlying Security and the number of Securities and the execution price for the transaction, and any other information requested by the CMA), in order for the Issuer, or any of its affiliates who are Authorised Persons for the purpose of the CMA Resolution, to make any notifications and/or reports to the Corporate Finance Department of the CMA as required by the terms of the CMA Resolution. The transferor acknowledges that it will provide the above information to the Issuer by email to CMA-notification@morganstanley.com;
5. it is aware that the CMA may from time to time impose qualitative or quantitative restrictions or any other requirements on products linked to Saudi Arabian Shares or on the ultimate beneficial investors of such products and if any such restrictions or requirements are imposed, then the Issuer may give effect to such restrictions or requirements whether by supplementing, varying or amending all or any of the terms of the Securities or otherwise.

Notwithstanding anything to the contrary stated or implied herein, neither the Issuer nor any of its Affiliates shall be required to take any action or refrain from taking any action in connection with the Security that it reasonably believes could result in non-compliance with or penalties, loss of tax benefits or reporting obligations under the laws of the United States (including, for avoidance of doubt, U.S. laws restricting direct or indirect participation in or compliance with certain foreign boycotts, or requiring it to report to the U.S. government its or its affiliates' direct or indirect participation in or cooperation with such a foreign boycott, as contained in the U.S. Export Administration Act of 1979 and the U.S. Internal Revenue Code, as such laws are amended from time to time) or that it reasonably believes could result in placing it or any of its affiliates in a position of non-compliance with such laws.

Commercial Terms and Conditions

1. (i) Issuer: Morgan Stanley B.V.
- (ii) Guarantor: Morgan Stanley
2. (i) Series Number: D1342
- (ii) Tranche Number: 1
3. Type: Share Securities
4. (i) Issue Date: 23 December 2010
- (ii) Pricing Date: 20 December 2010
5. Expiration Date: 20 December 2013
6. Specified Currency or Currencies: United States Dollars (“USD”)
7. Aggregate Number of Securities:
 - (i) Series: 1,000,000
 - (ii) Tranche: 1,000,000
8. Nominal Amount per Security: Not Applicable
9. Issue Price: USD 2.3804 per Certificate

PROVISIONS RELATING TO THE UNDERLYING AND ADJUSTMENTS

10. Underlying Share: One Certificate is linked to one ordinary share of the Share Issuer (the “**Underlying Share**”)
Share Issuer: Dar Al Arkan Real Estate
Bloomberg Ticker: Alarkan AB
11. Exchange: Saudi Arabia Stock Exchange
12. Related Exchange: All Exchanges

PROVISIONS RELATING TO DISTRIBUTION AMOUNT (IF ANY) PAYABLE

13. Distribution Provisions: Applicable, distribution will be paid from time to time
 - (i) Distribution Commencement Date: Not Applicable
 - (ii) Distribution Valuation Date(s) (the “Coupon Record Date”): For the purposes of paying the Distribution Amount under this Certificate, the Coupon Record Date shall be 3 (three) Business Days following the official Record Date in respect of any particular Eligible Dividend of the Underlying Share.

(iii) Distribution Payment Date(s) (each a Coupon Payment Date):	Distribution of any Net Yield Dividends shall be made to Certificateholders 5 (five) Business Days after the Issuer receives such payment from the issuer of the Underlying Share or as notified by the Issuer from time to time to the Certificateholders.
(iv) Distribution Amount(s) (each a Coupon Amount):	Net Yield Securityholder who is the beneficial owner of the Securities as of the relevant Coupon Record Date shall be entitled to the Distribution Amount and shall be notified of such a later date if the Distribution Payment Date is postponed.
(v) Minimum Distribution Amount:	Not Applicable
(vi) Maximum Distribution Amount:	Not Applicable
(v) Other terms relating to the payment of Distribution Amounts:	Not Applicable

PROVISIONS RELATING TO EQUITY LINKED SECURITIES

14. Additional Outperformance Weighting:	Not Applicable
15. Net Yield Weighting:	100%, save that the Relevant Deduction should apply The Net Yield shall be converted into USD at the Spot FX Rate on the Valuation Date as determined by the Determination Agent, subject to Relevant Deduction. For the avoidance of doubt, such Eligible Dividend shall only be regarded as having been “paid” if a resident corporate holder of the Underlying Share in the Kingdom of Saudi Arabia would have received the relevant distribution within the required timeframe. “ Spot FX Rate ” means the spot foreign exchange rate between USD and Saudi riyal as determined by the Determination Agent
16. Outperformance Weighting:	Not Applicable
17. Additional Outperformance Period:	Not Applicable
18. Reference Period:	From and including the Pricing Date to but excluding the Valuation Date.
19. Extraordinary Dividend:	Applicable, provide it is in cash form

20. Relevant Deduction: Applicable, for the avoidance of doubt, deduction should include any tax imposed on or withheld from any income or gain in respect of the hedge position of the Issuer (or its affiliate, as the case may be) by the Kingdom of Saudi Arabia or any governmental authority or political sub-division thereof or therein (the “**Local Tax**”)

21. Final Valuation Date: As defined in Condition 2.1

PROVISIONS RELATING TO EXERCISE AND TERMINATION

22. Exercise Style: American style Securities

23. Deemed Exercise: Applicable

24. Call/Put (if Warrant): Not Applicable

25. Exercise Date or Potential Exercise Date(s): Provided that the Exercise Notice is validly delivered in accordance with Condition 7 (*Exercise Procedures*) no less than 5 Business Days prior to the proposed Exercise Date, the relevant Exercise Business Day falling in the Exercise Period as specified in the Exercise Notice.

26. Exercise Period or Commencement Date: Issue Date

27. Exercise Business Day: Includes a Scheduled Trading Day and an Exchange Business Day

28. Latest Exercise Time: 10:00 a.m. Brussels time (in the case of Euroclear Bank), 11:00 a.m. Brussels time (if delivered by EUCLID) or 10:00 a.m. Luxembourg time (in the case of Clearstream, Luxembourg)

29. Minimum Exercise Amount: Not Applicable

30. Maximum Exercise Amount: Not Applicable

31. Permitted Multiple: Not Applicable

32. Cash Settlement Amount of each Security: A cash amount equal to the Reference Value

(i) Reference Value: Final Underlying Value should be the Hedging Realisation Price converted into USD at the Spot FX Rate on the Valuation Date as determined by the Determination Agent minus the applicable costs and/or taxes including the Local Tax which the Determination Agent determines are or would be incurred or suffered by the Issuer for fulfilling payment obligations or its agent for hedging purposes in respect of the Security.

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| (ii) | Strike Value (for Warrants only): | Not Applicable |
| (iii) | Settlement Value: | Not Applicable |
| (iv) | Hedging Realisation Price: | Applicable, save that “the volume weighted average of the prices per Share” shall be replaced by “the closing price per Share” in the Conditions. |
| (v) | Cash Settlement Payment Date: | <p>Upon the occurrence of a Deemed Exercise 31 December 2013 or, if later, the 3rd Business Day following the Expiration Date.</p> <p>Upon the occurrence of an exercise by the holder of the Securities prior to the Expiration Date, the 5th Business Day following the Valuation Date.</p> |
| (vi) | Minimum Cash Settlement Amount: | Not Applicable |
| (vii) | Maximum Cash Settlement Amount: | Not Applicable |
| (viii) | Valuation Date: | (i) The 5 th Business Day following the Exercise Date or (ii) the Expiration Date, as the case may be |
| (ix) | Averaging Date Disruption: | Not Applicable |
| (x) | Valuation Time: | As set out in the Conditions |
| (xi) | Averaging Dates: | Not Applicable |
| (xii) | Break Fee: | Not Applicable |
| (xiii) | Break Fee Date: | Not Applicable |
| (xiv) | Other terms relating to the payment of Cash Settlement Amount: | None |
| 33. | Issuer's Call Option: | Applicable |
| (i) | Optional Termination Date (Call): | As set out in the Conditions |
| (ii) | Issuer Call Notice Period: | Not less than 5 Business Days |
| (iii) | Optional Termination Amount (Call): | As specified in the definition of Optional Termination Amount (Call) in the Conditions |
| (iv) | Break Fee: | Not Applicable |
| (v) | Break Fee Date: | Not Applicable |

- (vi) Other terms relating to the Issuer's Call Option: As set out in the Conditions
34. Additional Disruption Event: Change in Law, Hedging Disruption, Increased Cost of Hedging, Loss of Stock Borrow
35. Early Termination Amount (if different from Condition 2 (*Interpretation*)): As set out in the Conditions.
- Other terms relating to early termination: None

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

36. Form of Securities: Registered Securities:
Restricted Global Security, exchangeable for Individual Registered Instruments only in circumstances specified in the Restricted Global Security.
The Securities are not exchangeable for Bearer Securities.
37. Status of the Guarantee: As set out in the Conditions
38. Financial Centre(s): London and Riyadh
39. Talons for future Coupons or Receipts to be attached to Definitive Securities (and dates on which such Talons mature): No
40. Renominalisation and reconventioning provisions: Not Applicable
41. Consolidation provisions: The provisions in Condition 19 (*Further Issues*) apply
42. Clearance System: Euroclear and Clearstream, Luxembourg
43. Determination Agent: Morgan Stanley & Co. International plc
44. Additional US Federal Tax Considerations: Not Applicable
45. Other final terms: See "Annex - Taxes" below

DISTRIBUTION

46. Method of distribution: Non-syndicated
47. (i) If syndicated, names of: Not Applicable

Distribution Agents and
underwriting commitments

- (ii) Date of Subscription Agreement: Not Applicable
- (iii) Stabilising Manager(s) (if any): Not Applicable
48. If non-syndicated, name and address of Dealer: Morgan Stanley & Co. International plc
49. Total commission and concession: Not Applicable
50. Financial Intermediaries: Not Applicable
51. Additional selling restrictions: **Selling Restrictions for sales under Rule 144A**
- Securities may be offered in reliance on the exemption from registration under Rule 144A of the Securities Act to persons that are both (1) qualified institutional buyers (as defined in **Rule 144A** under the Securities Act) and (2) qualified purchasers (as defined under **Section 3(c)(7)** of the Investment Company Act of 1940).
- Selling Restrictions in the Kingdom of Saudi Arabia**
- The Securityholder has acknowledged and agreed, or will be required to acknowledge and agree, that no action has been or will be taken in Saudi Arabia that would permit any offer or sale (of any kind) of the Securities in Saudi Arabia, or possession (other than in the case of possession by the Issuer or any of its affiliates) or distribution of any offering materials in relation thereto.

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Securities described herein pursuant to the Program for the Issuance of Warrants and Securities by Morgan Stanley B.V.

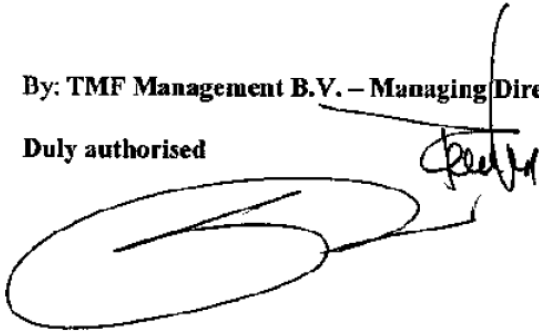
RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: TMF Management B.V. – Managing Director

Duly authorised

A handwritten signature in black ink is written over the text. The signature is stylized and appears to be 'P. de V.' or similar. Below the signature, there is a large, hand-drawn oval shape, possibly representing a stamp or a seal.

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Irish Stock Exchange
- (ii) Admission to trading: Application will be made for the Securities to be admitted to trading on the Irish Stock Exchange on or about the Issue Date

2. OPERATIONAL INFORMATION

Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, *société anonyme* and The Depository Trust Company and the relevant identification number(s): Not Applicable

Delivery to the Dealer: Delivery free of payment

Names and addresses of additional Paying Agent(s) (if any): None

ANNEX - TAX

Securityholder's Tax Liability:

Securityholder hereby indemnifies and agrees to indemnify and hold harmless the Issuer against any tax, levy, impost, duty, charge, assessment or fee including capital gains tax and withholding tax as well as any penalties and interest thereon (even if their imposition results from any action or inaction of the Issuer or any of its affiliates), and any change in any of the rates thereof, payable to, imposed by or levied by or on behalf of the Kingdom of Saudi Arabia or any authority having power to tax, whether such amount is payable by the Issuer directly or is payable by any of Issuer's affiliates, and, whether any such amount becomes payable during or after the scheduled Expiration Date (a "Retrospective Tax Liability"), in connection with the holding, possession, purchase or sale of the Certificates, or any possession of an interest in or dealing in such Certificates, or any hedging arrangements relating to such Certificates or to payments due under the Certificates or in connection with the Certificates ("Tax Liability"). Any payment liable to be made by Securityholder under this Condition shall be made in the currency in which such Tax Liability amount is due and payable; provided that, the Issuer shall be entitled to convert any such Tax Liability amount into such other currency as it deems fit (and at an exchange rate determined by it in its sole and reasonable discretion) and shall be entitled to set off such amount against any payment due from the Issuer to the Securityholder.

For the avoidance of doubt, an obligation to Securityholder to make a payment to the Issuer in respect of a Retrospective Tax Liability will survive the termination of the Certificates.

For the avoidance of doubt, Zakat levied on the Issuer and any affiliate of the Issuer in connection with the Certificates is within the scope of this provision.

Change in Tax:

Upon the occurrence of a Change in Tax (as defined below), the Issuer will (i) inform the Securityholders and (ii) seek to modify the Conditions of the Certificates so as to preserve the economic value of the Certificates which would have prevailed but for the occurrence of the Change in Tax. If the Issuer determines that it is not possible to restructure the Certificates, the Issuer may determine that the Cash Settlement Amount shall be reduced by an amount required to put the Issuer or any of its affiliates in the same position that it would have been in but for the occurrence of the Change in Tax.

For the purposes of this Condition, Change in Tax shall mean (i) the enactment, promulgation, execution, ratification or adoption of, or any change in or amendment to, any rule, law, regulation or statute (or in the applicability or official interpretation of any rule, law, regulation or statute) by the Government of Saudi Arabia or any Relevant Authority (as defined below); (ii) the issuance of any order or decree by any Relevant Authority; (iii) any action being taken by a Relevant Authority or any other taxing authority; or (iv) any other act or event at any time relating to any deduction or withholding for or on account of tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) in relation to (aa) any payment due under the Certificates or (bb) the holding, possession, purchase or sale of the Certificates, or any possession of an interest in or dealing in the Certificates, or any hedging arrangements relating to the Certificates or to payments due under the Certificates which will (or in the Determination Agent's reasonable opinion is likely to) adversely affect the economic value of the Certificates.

For these purposes, the Saudi Arabian Department of Zakat and Income Tax is a Relevant Authority.