Manulife Financial

Elizabeth M. Murphy, Secretary
Office of the Secretary
Securities and Exchange Commission,
100 F Street, NE.,
Washington, DC 20549–1090.

20 April, 2009

RE: File Number: S7-27-08
SEC Release Nos. 33–9005; 34–59350

Comments on the Proposed Rule, "Roadmap for the Potential Use of Financial Statements Prepared in Accordance with International Financial Reporting Standards by U.S. Issuers" (the "IFRS Roadmap")

Dear Ms. Murphy:

We appreciate the opportunity to comment on the IFRS Roadmap for the potential use of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") by U.S. Issuers. This submission is made on behalf of Manulife Financial ("Manulife" or the "Company")

Manulife is the largest life insurance company in Canada and one of the largest in North America. Operating as Manulife Financial in Canada and Asia, and as John Hancock in the United States, we serve millions of customers in nineteen countries worldwide. Manulife and its subsidiaries offer clients a diverse range of financial protection products and wealth management services through its extensive network of employees, agents and distribution partners. As both a preparer of financial statements and one of the world's largest institutional investors, with over $380 billion in funds under management, we have a vested interest in contributing to the development of accounting standards that best promote the key principles of relevance, understandability and representational faithfulness, for both users of our financial statements and the financial statements we evaluate for investment opportunities.

Manulife is a foreign private issuer whose primary basis of accounting is Canadian GAAP, which will converge to IFRS effective January 1, 2011. Additionally, various subsidiaries of Manulife currently prepare financial statements on a U.S. GAAP basis for legal or statutory purposes.

We strongly support the SEC's proposal to require domestic issuers to prepare financial statements in accordance with IFRS. As a large global organization we currently prepare financial statements for legal and other statutory purposes using many different bases of accounting worldwide. The use of multiple accounting bases for our entities is both confusing to the users of our financial statements and is costly to prepare. We believe that in addition to reducing financial reporting costs, the move to a single internationally accepted basis of accounting will increase comparability and transparency of financial reporting to the benefit of investors and shareholders.

The consistency and comparability of financial information can only be maximized if the world reports under a single set of high quality accounting standards. In today's increasingly global environment we believe the adoption of a single accounting framework is essential. Over 100 countries around the world have already or are in the process of adopting IFRS, and we applaud the joint efforts of the IASB and the FASB to align international and US accounting standards. However, to achieve maximum benefit for investors, we believe the adoption of IFRS by US public companies is a necessity.

Our responses to some of the detailed questions raised by the SEC in the IFRS Roadmap are set out in the Appendix to this letter, however our key comments are as follows:

- We support the ability for US domestic entities to early adopt IFRS. We believe that a phased-in approach will allow investors and analysts to become increasingly more familiar with IFRS results and financial statements over time as opposed to a "big bang" adoption approach where all entities would adopt at the same time. We note that certain foreign issuers currently already submit financial statements prepared in accordance with IFRS without reconciliation to US GAAP to the SEC. Therefore we believe that IFRS information is already being used by U.S. domestic investors and analysts for decision making purposes.

- On this basis, we believe the population of entities eligible for early adoption under the Roadmap should not be restricted. The scope of eligible entities should instead be expanded to include US subsidiaries of foreign registrants that have or will have adopted IFRS prior to any mandatory adoption date in the U.S. Allowing a broader population of US domestic entities to early adopt IFRS will increase (not detract from) comparability of financial results and would help shorten the transition period.

- Where early adoption of IFRS is permitted, we believe entities who have early adopted should be permitted to continue to file IFRS financial statements to satisfy their reporting obligations – irrespective of whether the SEC eventually requires the mandatory adoption of IFRS by all US domestic issuers. We believe it would be harmful to investors to force early adopters of IFRS to revert back to U.S. GAAP should the IFRS Roadmap milestones (or any other factors preventing mandatory application of IFRS) not be achieved.

- We do not believe it is necessary or appropriate to require that entities provide two years of comparative information under IFRS, in the first year of adoption. These requirements would be unduly onerous and exceedingly costly to meet and would be unjustly punitive to U.S. domestic companies. Under IFRS 1, an entity is only required to provide one year of comparatives in the first year of transition, therefore the SEC requirements would be in excess of the reporting requirements that were imposed on companies who have already converted. Further, it does not appear that users of the financial statements in markets such as the European Union were disadvantaged from only having one year of comparative financial information in the year of adoption. We believe the requirements under IFRS 1 to prepare a "reconciliation" from U.S. GAAP to IFRS for all periods presented in the first set of financials statements provides sufficient information for users of financial statements to understand financial results under IFRS.

- We urge the SEC to continue to provide insurance companies the ability, in certain circumstances, to submit financial statements prepared in accordance with the statutory accounting principles promulgated by the National Association of Insurance Commissioners ("NAIC") in lieu of U.S. GAAP in satisfaction of the financial statement requirements for securities registered on Forms N-3, N-4 and N-6. Given the pervasive use of NAIC statutory accounting rules for regulatory filings in the U.S. insurance industry, it is expected that these standards will continue to be in place for the foreseeable future. The continued ability to use such financial statements in lieu of U.S. GAAP would greatly reduce the financial reporting burden of entities which report under this framework.

- We strongly support the SEC's proposed exclusion of Investment Companies from the scope of the IFRS Roadmap. We believe that financial statements prepared under IFRS for such entities, including registered separate accounts of life insurance companies, do not provide useful relevant information due to the lack of industry specific accounting guidance under IFRS. We strongly support the views expressed in the Investment Company Institute (ICI) letter dated November 13, 2007[1] in which outlines the many shortcomings of IFRS financial statements for such entities.

Thank you for considering our views with respect to the IFRS Roadmap. We look forward to the date when we will be able to prepare our all of our financial statements on the same set of high quality global accounting standards. If you have any questions in regard to our comments or wish to discuss further any matters addressed herein, please do not hesitate to contact me at (416) 926-6328.

Sincerely,

Mike French
Senior Vice President & Chief Accountant

[1] Available on the SEC website: http://www.sec.gov/comments/s7-20-07/s72007-60.pdf

Appendix Response to detailed questions

We have only responded to questions where we believe we can provide relevant insight and/or share our experiences which we hope will be of assistance to the SEC's standard setting and deliberation processes.

Roadmap and Related Timeline:

Question 1

1. Do commenters agree that U.S. investors, U.S. issuers and U.S. markets would benefit from the development and use of a single set of globally accepted accounting standards? Why or why not? What are commenters' views on the potential for IFRS as issued by the IASB as the single set of globally accepted accounting standards?

We believe US investors, markets and issuers would be best served by the use of a single set of globally accepted accounting standards. Issuers would benefit from having financial reports that are comparable to peers, investors would benefit from being able to evaluate investment opportunities on a consistent, comparable basis, markets would operate in a more efficient manner as investors would have access to similar financial information and regulators would benefit from having a consistent basis of financial reporting on a equal basis across all territories.

As a global insurance company, moving to a single set of high quality financial reporting standards will significantly reduce our financial reporting costs, however it will also permit all of our users of our financial statements across all of our jurisdictions to evaluate our performance and results on a consistent basis. The users of our U.S. domestic operations' financial statements will be able to understand and evaluate the financial results of the domestic entity based on the same accounting policies established by the parent company and therefore will have a better context in which to assess the economic results of the local company.

The mandated use of a single global set of high quality accounting standards will enable us to evaluate investment opportunities and make decisions on behalf of client funds and for our own account on a consistent basis without the need to perform additional GAAP reconciliations.

We note that there is some concern in the U.S. insurance industry about the adoption of IFRS for domestic companies prior to the completion of the international accounting standard for the measurement of insurance contracts. An insurer that has already adopted IFRS is permitted to use its existing pre-IFRS accounting policies (i.e. U.S. GAAP for U.S. insurers) to measure insurance contracts under IFRS. Despite the fact this significant accounting standard for insurance companies is still being developed, we believe that the U.S. adoption of IFRS is still in the best interests of U.S. investors, issuers and markets. The ability to access global capital markets more efficiently and cost effectively, the reduction in financial reporting costs and obligations of the preparer and the increased ability of users to understand and compare financial results on a consistent basis far outweigh any temporary shortcomings and/or perceived lack of comparability existing set of standards that may exist until such time as the insurance standard is finalized. Given that over 100 countries have already adopted (or are in the process of adopting) IFRS as the primary basis of financial reporting, we believe IFRS as issued by the IASB is the most appropriate single set of financial reporting standards that should be endorsed by the United States.

2. Do commenters agree that the milestones and considerations described in Section III.A. of this release ("Milestones to be Achieved Leading to the Use of IFRS by U.S. Issuers") comprise a framework through which the Commission can effectively evaluate whether IFRS financial statements should be used by U.S. issuers in their filings with the Commission? Are any of the proposed milestones not relevant to the Commission's evaluation? Are there any other milestones that the Commission should consider?

Milestone #3 – *Improvements in the ability to use interactive data (XBRL) to improve financial reporting.* We would suggest extending this requirement to specifically indicate that sufficient progress should not only be made in developing IFRS taxonomy but also industry specific IFRS XBRL taxonomies. The primary benefit of XBRL is to enable users of financial statement to analyze financial results in a more efficient manner. In the absence of industry specific taxonomies, users of XBRL information will not be able to leverage its full potential (i.e. generic tags to whole footnote disclosure will not facilitate meaningful analysis). Further, the mandated use of XBRL multiple times causing entities to incur additional unnecessary costs and implementation efforts. Key industries that would benefit from industry specific taxonomies include; (a) banks, insurance companies, and other financial institutions, (b) mining, oil & gas and other resource entities, (c) real estate and other entities that have additional industry specific disclosure and reporting requirements under existing SEC regulations.

Milestone #5 – *Limited early use of IFRS where this would enhance comparability for U.S. investors.* As outlined in our responses to questions # 21 and 24 below, we believe that this milestone should be expanded to allow early adoption of IFRS for a broader population of entities – including those U.S. domestic entities that are subsidiaries of foreign parent companies that will have already adopted IFRS.

6. Is it appropriate to exclude investment companies and other regulated entities filing or furnishing reports with the Commission from the scope of this Roadmap? Should any Roadmap to move to IFRS include these entities within its scope? Should these considerations be a part of the Roadmap? Are there other classes of issuers that should be excluded from present consideration and be addressed separately?

We are very supportive of the SEC's proposal to exclude Investment Companies including registered separate accounts of insurance companies from the scope of the Roadmap. The existing set of IFRS' were not established with the unique financial reporting requirements of investment companies in mind. Therefore, financial statements under IFRS for investment companies do not provide relevant financial information to users of those statements. Many of the IFRS principles, for example those relating to consolidation, establishment of a functional currency and the classification of investor shares do not provide a suitable framework for evaluating and interpreting investment companies' financial position or results. Investors in such funds are primarily interested in the fair value of the underlying investments in the fund and the funds relative performance over time. Given this primary objective, fund investors do not typically base their investment decisions through an analysis of general purpose financial statements as they would for an investment in a traditional public corporation. Further, with the exception of Ireland and Australia, we note that most jurisdictions that currently require IFRS financial statements for public corporations do not require the use of IFRS for investment funds[2]. Therefore, even if the SEC were to mandate the use of IFRS for investment companies in the U.S. it would not achieve an objective of consistent, comparable financial reporting globally for investment funds.

We note that similar views and recommendations are shared by the Investment Company Institute (ICI) and have previously been communicated in their letter to the SEC dated November 13, 2007[3].

13. What steps should the Commission and others take in order to determine whether U.S. investors, U.S. issuers, and other market participants are ready to transition to IFRS? How should the Commission measure the progress of U.S. investors, U.S. issuers, and other market participants in this area? What specific factors should the Commission consider?

[2] Refer to letter from the Investment Fund Institute of Canada (IFIC) to the IASB in response to ED-10 "Consolidations" – Appendix C which outlines that that mutual funds in countries where IFRS is mandatory for non-exchange-traded investment entities account for only 15% of the total asset value of mutual funds worldwide:
http://www.iasb.org/Current+Projects/IASB+Projects/Consolidation/Exposure+Draft+and+Comment+Letters/Comment+Letters/CL76.htm

[3] Available on the SEC website: http://www.sec.gov/comments/s7-20-07/s72007-60.pdf

We believe IFRS adoption is right for the U.S. If the SEC makes this determination, focus should be turned to managing the transition properly and providing education and support for users. We believe education tools are already available through the IASB, the accounting profession, academic world and the experiences of other countries who have already adopted IFRS.

15. Where a standard is absent under IFRS and management must develop and apply an accounting policy (such as described in IAS 8, for example) should the Commission require issuers to provide supplemental disclosures of the accounting policies they have elected and applied, to the extent such disclosures have not been included in the financial statements?

We believe that the disclosure requirements outlined in IAS 8.28 and .29 and IAS 1.117(b) are sufficient in that they require prepares to disclose "accounting policies that are relevant to the understanding of the financial statements" and "the reasons why applying the accounting policy provides reliable and more relevant information."

For example, upon adoption of IFRS for our U.S. domestic insurance subsidiaries, we are assessing if these entities would adopt the Canadian GAAP approach to valuing insurance liabilities pending the finalization of an IFRS standard for the measurement of insurance contracts. IFRS 4.22 specifically permits an insurer to "change its accounting policies for insurance contracts if, and only if, the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable, or more reliable and no less relevant to those needs. An insurer shall judge relevance and reliability to the criteria in IAS 8". We believe conforming to parent company accounting policy choices would make a subsidiary's stand-alone financial statements more reliable and more relevant as they would reflect the same basis of accounting that is used to support the allocation of capital to the business and would ensure consistency and comparability of subsidiary financial reporting. We believe this "management view" provides more relevant information to investors.

Early Adoption

21. What impact will the Commission's determination to allow an industry to qualify as an "IFRS industry" without majority IFRS use have on the Commission's objective of promoting comparability for U.S. investors? How will this impact U.S. investors, U.S. issuers, and U.S. markets? Is the use of IFRS more than any other set of financial reporting standards the right criterion? Should it be higher or lower?

We believe that ability to early adopt IFRS should not be restricted to only industries where IFRS is used most commonly amongst the top 20 entities in that industry. Early adoption should be expanded to all issuers – particularly U.S. domestic subsidiaries of foreign private issuers that currently, or will report under IFRS.

Financial statements prepared under IFRS without reconciliation to U.S. GAAP are already commonly prepared by many of the world's largest companies. Any perceived lack of comparability between U.S. domestic issuers therefore already exists today and would not be compounded by the early adoption of IFRS. Instead, allowing expanded optional use of IFRS prior to a mandatory adoption date, by a broader group of domestic entities will further increase comparability amongst SEC issuers. By allowing a voluntary "phased-in" approach, IFRS information will be increasingly used and relied upon by U.S. investors and will provide the opportunity for investors and analysts to become increasingly more familiar with IFRS requirements well in advance of any mandatory adoption date for all issuers.

24. Currently, some public companies in the U.S. public capital market report in accordance with IFRS and others in accordance with U.S. GAAP. Today, however, this ability to report using IFRS exists only for foreign companies. What consequences, opportunities or challenges would be created, and for whom, of extending the option to use IFRS to a limited number of U.S. companies based on the criterion of improving the comparability of financial reporting for investors?

We strongly support this initiative and encourage its application to be more broad based. Refer to our response to Question #21 above. We believe that permitting the early adoption of IFRS by U.S. domestic issuers would create an opportunity for U.S. investors and other market participants to be further acclimatized to financial results under IFRS and would allow for a more smooth transition to IFRS by increasing comparability of financial statements. Any perceived challenges for market participants resulting from the existence of financial statements filed with the SEC prepared on differing accounting basis already exists today (given the ability of foreign private issuers to prepare financial statements in accordance with IFRS without reconciliation to US GAAP).

Transition Disclosures / Comparatives

34. What are commenters' views on Proposals A and B relating to U.S. GAAP reconciling information? Which Proposal would be most useful for investors? Is there a need for the supplemental information provided by Proposal B? Would the requirement under Proposal B have an effect on whether eligible U.S. companies elect to file IFRS financial statements? To what extent might market discipline (*i.e.* investor demand for reconciliation information) encourage early adopters to reconcile to U.S. GAAP even in the absence of a reconciliation requirement?

We support Proposal A – We believe the requirement to provide reconciliations of U.S. GAAP results to IFRS in the first set of financial statements prepared under IFRS are already embedded in IFRS 1 and that no additional/separate disclosure requirements is necessary. IFRS 1.38 requires disclosures that explain how the transition from previous GAAP to IFRS affects an entity's reported financial position, financial performance and cash flows; including a reconciliation of equity, total comprehensive income and cash flows from previous GAAP to IFRS for date of transition to IFRS, the latest period presented in the entity's most recent annual financial statements under local GAAP and any comparative interim period.

These disclosures have been successfully applied in countries that have already adopted IFRS and have been shown to adequately support investor transition to the new accounting standards. Further, they have proven to be sufficient for us, as an institutional investor, to evaluate investment opportunities in entities that have already adopted IFRS. Such disclosures should equally be sufficient for U.S. investors. We note that the disclosure principles under IFRS 1 and IAS 1 require that sufficient disclosures be provided to enable a user to understand the transactions and results of the reporting entity.

We do not believe is it necessary nor appropriate to require that entities provide two years of comparative information under IFRS, in the first year of adoption. These requirements would be unduly onerous and punitive to US domestic companies as foreign entities were previously provided with an SEC exemption from providing a second year of comparatives. Under IFRS 1, an entity is only required to provide one year of comparatives in the first year of transition, therefore the SEC requirements would be in excess of the existing reporting requirements. Further, it does not appear that users of the financial statements in markets such as the European Union were disadvantaged from only having one year of comparative financial information in the year of adoption.

We believe that the requirements under Proposal B to provide additional supplemental information on a US GAAP basis are unnecessary, disadvantage US filers and provide little benefit to users of financial statements. To provide such information on a US GAAP basis, in many instances would require maintaining an entirely separate reporting structure to determine information on a US GAAP and IFRS basis – which would defeat the purpose of moving to a single set of financial reporting standards. We note that such additional supplemental information was not necessarily required on a local GAAP basis for European domestic entities when they first adopted IFRS.

35. What role does keeping a set of books in accordance with U.S. GAAP play in the transition of U.S. issuers to IFRS? What impact will keeping U.S. GAAP books have on U.S. investors, U.S. issuers, and market participants?

See earlier comments. We believe that maintaining a separate set of books under U.S. GAAP once an issuer has adopted IFRS would defeat one of the primary benefits of IFRS. If this were required for an extended period of time (i.e. beyond the necessary "reconciliation" requirements under IFRS 1) we believe this would be strong incentive for most domestic companies to not early adopt IFRS as there would be no perceived benefits from having to continue to maintain two sets of books from a cost/reporting standpoint from the perspective of the issuer.

40. Under either Proposal, should we provide more guidance as to the form and content of the information called for? Under either Proposal, should we require that additional information be provided, such as a "full reconciliation" as is required under Item 18 of Form 20–F? 122 Is there an intermediate position between the reconciliation under Proposal B and the reconciliation under Item 18 of Form 20–F?

We believe the requirements under IFRS 1 to prepare a "reconciliation" from US GAAP to IFRS as at the date of transition to IFRS and for comparative periods presented in the first set of financials statements is sufficient information for users of financial statements to understand, compare and acclimatize to the results under IFRS. Therefore, no additional reconciliation requirements beyond the IFRS 1 disclosures should be required