



September 21, 2007

Mr. Russell G. Golden
Director of Technical Application & Implementation Activities
Financial Accounting Standards Board
401 Merritt 7,
P.O. Box 5116,
Norwalk, CT 06856-5116

Re: Proposed Implementation Issue No. E23: Hedging-General: Issues Involving the Application of the Shortcut Method under Paragraph 68

Dear Mr. Golden,

We appreciate the opportunity to comment on the proposed DIG E23, and support the efforts of the FASB to converge with International Financial Reporting Standards.

Manulife is the largest life insurance company in Canada, the second largest in North America, and the fifth largest in the world based on market capitalization. Operating as Manulife Financial in Canada and Asia, and as John Hancock in the United States, we serve millions of customers in 19 countries worldwide. As one of the world's largest institutional investors, Manulife has a vested interest in transparency and comparability of financial reporting in order to assure our investing activity adds value to our customers and shareholders. 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.

Manulife is a foreign private issuer whose primary basis of accounting follows Canadian GAAP, which the Canadian Accounting Standards Board has announced will be replaced by IFRS in 2011. Manulife issues US GAAP financial statements for many of its US subsidiaries. At the Manulife Financial level, we prepare full Canadian GAAP financial statements and in the notes to the financials, include condensed US GAAP financial statements with reconciliation to Canadian GAAP.

Our comments with regard to Implementation Issue No.E23 are as follows:

1. We urge that the cost of implementing new pronouncements not exceed the benefits obtained. As well, implementation timelines need to provide reasonable time for the implementation of new controls and processes for impacted relationships.
2. We recommend that the FASB's goal to eliminate differences between US and International Financial Reporting Standards would be better achieved by the development and release of a single converged standard rather than issuance of a continuous stream of implementation guidance on a piecemeal basis requiring significant implementation effort with each new release.

3. We believe that the requirement that par value of the hedged item equal its fair value at inception of the hedge relationship should apply only to the issuers of the hedged items, and not to purchasers on the secondary market in instances where premiums and discounts are not significant relative to the par value and therefore would not contribute substantial ineffectiveness.
4. We recommend that the guidance be applied only to new hedging relationships entered into after the effective date of the finalized guidance, as the cost of implementing the new guidance for past transactions would exceed the benefits derived.

Thank you for the opportunity to participate in your deliberation process. If you have any questions about our comments or wish to discuss further any matters addressed herein, please contact Marianne Harrison at 416 852-6161 or Kevin Adolphe at 416 852-5880.

Respectfully yours,

Marianne Harrison
Executive Vice President and Controller
Manulife Financial

Kevin Adolphe
Senior Vice President & Chief Financial Officer
MFC Global Investment Management