June 30, 2005

Mr. David A. Brown, Chairman
Ontario Securities Commission
20 Queen Street West, Suite 1903
Toronto ON M5H 3S8

Dear Mr. Brown:
Re: Public Comment on 52-111 and 52-111CP

We appreciate the opportunity to provide comments to the Commission on this very important regulation. In reviewing the proposed Multilateral Instrument 52-111 and Companion Policy 52-111CP (the "Instrument"), we are pleased that there are no additional requirements for Canadian companies who will be compliant with the SEC's Sarbanes-Oxley regulations. However, we believe that the OSC has the unique opportunity to implement regulations that follow the spirit of SOX without the excessive requirements that has become a byproduct of this regulation.

Based on our experience of implementing the processes to be compliant with SOX 404, we believe it is important to consider ways to improve the cost-benefit relationship of this proposed Instrument. As you may know, the costs to implement SOX 404 at Manulife Financial will be in the range of $20-$30 million per year. Although we strongly believe in a well-controlled environment, it is our view that the costs far outweigh the benefits. As a result, we encourage the Commission to consider the following recommendations:

1. A risk-based approach should be applied to testing and evaluating the control deficiencies within an organization. In evaluating the specific issues that led to the public outcry and the establishment of these enhanced regulations, one cannot overlook the malfeasance committed by executives. The current SOX 404 regulations and the proposed OSC Instrument place significant reliance on routine transactional processes. Although critical, it is our opinion that these routine processes are least likely to cause material misstatements or uncover the potential issues that this regulation seeks to highlight. As a result, we believe that management, with their external auditors, should be able to leverage the risk framework already employed in an organization in order to determine the areas and processes that have the greatest risk of a financial misstatement. By a proper categorization and testing of these key risk areas the purpose of this Instrument is achieved at a savings to the shareholder.

2. For all processes that have been reviewed and assessed to be medium and lower risk, allow for cyclical testing. A self-assessment review performed by the process owner will provide assurances over the controls and any changes to the control environment during the off-cycle period. These self-assessments can be reviewed independently and provide comfort to management, or highlight the need to perform independent testing during the interim period.

3. Allowance for external firms to place reliance on the work performed by the organizations Internal Audit function. The "Auditing Standard No. 2" guideline issued by the Public Company Accounting Oversight Board ("PCAOB") provide guidance to the audit firms on the reliance they can place on internal and other parties who test the effectiveness of the control environment. It is our expectation that this Standard will be applied for adherence to the OSC's proposed Instrument as well. We believe that this guidance greatly restricts the auditor's level of professional judgment, which in turn results in a duplication of evaluating and testing of controls. Consistent with the professional standards for audit engagements, we believe an evaluation of the Internal Audit function should be considered and reliance placed on the work done by this group.

4. As we have learned from the implementation of SOX 404, the Instrument should allow for management and audit firms to use professional judgment in determining the scope and coverage. The inability to use judgment in determining scope and coverage has strained the relationship between clients and audit firms in the United States, in addition to having an adverse financial impact. These negative consequences have the ability to decrease the level of transparency between clients and firms, as well as having no realizable benefit for shareholders, regulators or other users of financial statements.

5. We are concerned that the requirements under Section 2.5 (3) will cause an inordinate amount of work to be completed within a relatively short period of time, in order to allow independent auditors to attest to these controls as at a specific date. This year-end requirement may pose logistical problems with both clients and audit firms in addition to duplicating interim audit work efforts. We encourage the continued use of interim audits and the reliance on such work in order to support an opinion at a later period.

Although some of these recommendations have been highlighted in the recent PCAOB guidance, there is still considerable resistance in applying a top-down, risk-based approach to the internal review and certification process. We believe that the Commission has the opportunity to be very clear on these points, eliminating the subjective interpretation which continues to cause confusion as well as an undue focus on the testing of routine processes and transactions. As stated earlier, the spirit of the Instrument can be applied in a cost effective manner that benefits the companies, shareholders and provides clarity for audit firms.

Thank you for your consideration of our comments. We would be pleased to discuss these items in greater detail with you and your staff or provide further insight into our concerns.

Sincerely,

Marianne Harrison, EVP and Controller Manulife Financial