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Senior Vice President and General Counsel

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SUBMITTED ELECTRONICALLY

<https://www.sec.gov/cgi-bin/ruling-comments>

Mr. Brent J. Fields
Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Re: SEC Proposals on Standards of Conduct for Investment Professionals (File Nos. S7-07-18; S7-08-18; and S7-09-18)

On behalf of John Hancock Life Insurance Company (U.S.A.) (collectively referred to along with its affiliates and subsidiaries as "John Hancock")¹, this comment letter responds to the package of rule proposals surrounding the provision of advice by investment advisers and broker-dealers to retail investors. John Hancock believes and has consistently stated that all investment advisers and broker-dealers providing investment advice to retail clients should act in the best interest of the client. Therefore, we support the SEC's effort to provide comprehensive regulations that apply across all retail account types and product offerings. We further applaud the SEC for maintaining a principles-based approach to financial regulation, focused on protecting investors in the broadest sense, including looking out for their best interests by seeking to preserve customer choice and access to different types and categories of investment products and services. We also commend the SEC for recognizing regulatory overlap within the industry and support its efforts to harmonize the proposals with existing regulatory regimes and to provide a path forward for principles-based regulation across the financial markets. In addition to expressing our support, we would like to

¹ John Hancock Life Insurance Company (U.S.A.) and its subsidiary John Hancock Life Insurance Company of New York offer a broad portfolio of insurance products, including universal, variable, whole, and term life insurance and group annuities. John Hancock's U.S. affiliates also include: John Hancock Retirement Plan Services LLC (recordkeeping service provider); John Hancock Trust Company LLC; John Hancock Investments (registered investment companies); John Hancock Distributors LLC (U.S. broker-dealer); John Hancock Funds, LLC (U.S. broker-dealer); John Hancock Advisers, LLC (U.S. investment adviser); Hancock Capital Investment Management LLC (U.S. investment adviser); Hancock Natural Resource Group, Inc. (U.S. investment adviser); John Hancock Investment Management Services, LLC (U.S. investment adviser); Manulife Asset Management (US) LLC (U.S. investment adviser); John Hancock Personal Financial Services LLC (U.S. investment adviser); and Signator Investors, Inc. (U.S. broker-dealer and investment adviser).

We operate as John Hancock in the United States and Manulife in other parts of the world.



briefly address each proposal in turn.

Regulation Best Interest

John Hancock fundamentally agrees with the regulatory approach the SEC has proposed with Regulation Best Interest. Particularly, we agree with the creation of a principles-based “best-interest” standard applicable to broker-dealers separate and distinct from the fiduciary duty owed by investment advisers under the Advisers Act that recognizes the important differences between broker-dealer and advisory business models. In particular, we agree with the SEC that the industry is best-suited to make determinations regarding what mitigation may be required for any conflicts arising from financial incentives, and that best practices may differ according to the circumstances of differently situated firms. However, we believe the rules could be clarified with respect to the identification and mitigation of material conflicts of interest arising from financial incentives. We believe that this is intended to refer specifically to financial incentives particular to the broker-dealer business model, such as compensation to registered representatives. We believe that it is not intended to include, for example, merely offering proprietary products or maintaining an open architecture platform. We suggest that the SEC clarify and confirm the obligation to clearly identify and disclose such practices, and that alone these activities would not require mitigation. We suggest that perhaps the best way to identify whether a conflict arises from a financial incentive is to consider whether any specific financial incentives are provided to the representative making the recommendation.

Interpretive Guidance on an Adviser’s Standard of Conduct

John Hancock agrees with the SEC that the longstanding common law principles underlying the fiduciary duty owed by investment advisers to their clients under the Advisers Act provide adequate investor protections and do not require additional rulemaking. We generally agree with the posture of the interpretive guidance as it applies to retail investors. It seems, however, that less consideration was given to the appropriate roles and responsibilities of advisers to institutional clients, including mutual funds. For example, certain duties of care applicable in a retail context, such as monitoring a client’s investment profile, should not be equally necessary in all institutional contexts. In addition, with respect to the SEC’s statement that an adviser (or broker-dealer) cannot be acting in a client’s best interest in recommending a more expensive, “identical” security, we request clarification that the term “identical” is not intended to capture mutual funds with similar investment strategies that are managed by different investment advisers. Finally, while we agree with the SEC that it is possible for conflicts of interest that could affect the advisory relationship to be inadequately described to allow for informed consent, we also believe that full and fair disclosure of a conflict satisfies the adviser’s duty of loyalty under the Adviser’s Act.

Form CRS

John Hancock strongly supports the SEC’s mission of helping investors understand differences in financial services models so that they can make appropriate, fully informed determinations regarding which model best suits their needs. We believe that Form CRS has the potential to help this mission. We note, however, that overly prescriptive disclosure that does not appreciate the nuances of a particular firm’s business model can obscure important differences and negatively impact investor understanding. Firms should therefore craft their own disclosure in accordance with guidelines established by Form CRS. We further believe that the costs and operational hurdles

associated with providing personalized fee information have been underestimated, and encourage the SEC to provide that any "do the math"-type questions may be answered through the use of examples.

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John Hancock is committed to its customers and appreciates the opportunity to provide these comments. If you have any questions or would like more information regarding this letter, please contact me.

Sincerely,



Emanuel Alves

Senior Vice President and General Counsel

John Hancock Life Insurance Company (U.S.A.)