



PRESS RELEASE

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**CAPITAL GAINS TAX CHANGES CAN HELP UK INVESTORS
TO SAVE UP TO £5bn PER YEAR IN TAX**

Towry Law welcomes the changes to Capital Gains Tax announced in Wednesday's Budget and believes they represent an opportunity for investors to restructure their investments, and thereby reduce their tax bills.

Towry Law estimates that private investors could save up to £5bn per year in tax by moving out of life assurance bonds and making effective use of their annual Capital Gains Tax allowance – an allowance that many investors do not utilise.

The difference between the tax regime on life assurance bonds and collective investment schemes now means that life assurance bonds will only be appropriate for a small minority of investors.

Andrew Fisher, Chief Executive, Towry Law, says:

"These changes represent a significant victory for the investor, who is less likely to be sold high commission-generating life assurance bonds and has the opportunity to restructure their investments to be far more tax efficient.

"They do, however, represent dreadful news for the life assurance industry, and for commission-based financial advisers who can no longer justify selling these products and earning commissions, often up to 8% per cent of the value of the investment.

“Life assurance companies lobbied fiercely for changes which would favour investment bonds. They were wholly unsuccessful and were dismissed in one line hidden away in the Budget detail – ‘The Government does not see the need for any change to the taxation of life insurance bonds as a result of CGT reform.’ In the interests of investors, we welcome this decision.”

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For further information contact:

Towry Law

Andrew Fisher, Chief Executive

Tel: 07736 908764

Patrick Connolly, Marketing & PR Manager

Tel: 01344 828 187

Hogarth Partnership

Tel: 020 7357 9477

Barnaby Fry

Harriet Forrest

Simon Hockridge

towrylaw@hogarthpr.co.uk

Notes to editors:

Figures based on estimated £250bn invested in life assurance products (source: general industry estimate)

Estimated average annual return 6.7%

Assumption: Capital Gains Tax allowance not used

50% of holders are higher rate taxpayers

Information on Towry Law

Towry Law is a fast growing professional financial services firm with 12 offices throughout the United Kingdom. The Company employs over 650 highly qualified private and corporate wealth advisers and support staff in offices from the South West and South East of England to the North East of Scotland and Northern Ireland. The Company's vision is to become the UK's leading provider of private and corporate wealth advice.

Towry Law was founded in 1958 and, in May 2006, was acquired by John Scott and Partners. The merged business of Towry Law is focused on the delivery of excellence to its clients.

In 2007 Towry Law announced the acquisition of Baker Tilly Financial Services Limited (BTFS), the financial advisory division within mid-tier accountancy firm Baker Tilly, and the UK activities of MLP Private Finance. This was followed by the acquisitions of regional firms, McGowan in St Andrews, Scotland, Analysis in L'Derry, Northern Ireland and Hazlems Financial, based in London.

Towry Law is privately owned. The principal shareholders are Palamon Capital Partners, one of Europe's leading private equity firms, and Towry Law employees.

Towry Law has been accredited as one of the Sunday Times 'Best 100 Companies to Work For'. This is based on the response of an extensive staff survey, as well as financial and other information. The Top 100 firms will have received a positive endorsement from their employees.

Towry Law won the overall Sales Organisation of the Year, and the Sales Organisation of the Year for Financial Services, Award at the 2008 National Sales Awards. These awards are testament to the focus Towry Law places on high quality ongoing service to clients.

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