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French Vineyards Could be the Tools of Money Launderers

By The Moscow Times

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Purchases of French vineyard assets by Russian and Chinese investors could be tied to money laundering, according to Tracfin, the French agency dedicated to the fight against money laundering and terrorist financing.

In particular, suspicions were raised by transactions involving holding companies in tax havens like Cyprus.

In one case, a Cypriot company making a purchase was owned by a company in another unspecified low-tax area and ultimately controlled by a Russian citizen, the Financial Times reported Sunday.

However Tracfin does not have a right to conduct full investigations and must pass all documents into relevant courts, Vedomosti reported.

In the last decade, wine and cognac exports to China and Russia have soared, fueling the demand for French wineries among the countries' newly rich buyers.

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