

Russians Accused of Laundering Money in French Winery Purchases

By [The Moscow Times](#)

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Russian and Chinese investors are gulping in French vineyard assets, but Tracfin, the French office dedicated to the fight against money laundering and terrorist financing, says the trendy purchases may be tied to money laundering.

In particular, representatives of the organization said that suspicions were raised by transactions with 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.

French wine expert Gregory Pecastena told Rossiiskaya Gazeta that he is doubtful that foreigners are buying wine chateaus for money laundering, saying that he suspects the investors want to get involved in a profitable business.

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.

Russians seem to particularly prefer the Cognac region's vineyards and over the past eight years have bought seven wineries in the northern French province.

However the Russian invasion has sometimes led to conflicts with locals, as increasingly expensive real estate has priced out French manufacturers. Jacky Chat faced opposition last year when he sold his cognac estate to the Russian Lagoda Group and had to pay off all of his debts because the bank did not want to deal with a foreign company.

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