

hard power through related sanctioning mechanisms. As such, the higher reputational and financial costs of the FATF blacklist in many ways superseded its comparable legitimacy problems, and ultimately made it more effective than the OECD blacklist.

According to Mahon and McBride (2009), the OECD lacks coercive instruments and its effectiveness as an institution of global governance rests on its ability to promote policy transfer and conformity with OECD norms through peer review and other reputation-based compliance strategies. However, a few of the OECD's instruments can be said to be 'hard law' such as the Codes of Liberalisation of Capital Movements which obliges member states to remove barriers to the movement of capital. Yet there is no formal sanctioning mechanism for breaches of OECD standards and sometimes no mechanism for determining whether a state has breached them at all (email Angel Gurría, August 2017). Clifton and Díaz-Fuentes (2011) argue that policy makers and scholars alike have acclaimed its pioneering as well as successful implementation of these 'soft governance' tools (Pagan 2002), and for its epistemic influences on policy makers (Carroll and Kellow 2011). The OECD's power rests on its reputation for technical expertise, its trans-governmental structure and linkages to member and non-member states. However, a growing recognition of the role IOs play in knowledge dissemination has been accompanied by an appreciation of the limits of 'soft law' and how this might produce policy transfer failures (Woodward 2006). In fact, FATCA was directly linked to market access because of the OECD's difficulties in gaining state compliance through soft approaches (Eccleston and Gray 2014; Hakelberg 2015).

Paper *three* also revisits the extraterritoriality of US legislation and how it forced Nauru to comply with the OECD's and FATF's initiatives. I highlight how the FATF 'piggybacked' on US law enforcement authorities' capacity to re-embed international finance by extending the boundaries of their jurisdiction extraterritorially to infringe on other states' sovereignty. Although the FATF also makes soft