

The Effect of Exchange Rate, Tunneling Incentive, and Effective Tax Rate on Transfer Pricing in Multinational Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) for the 2020–2024 Period

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This study aims to determine and analyze the effect of exchange rate, tunneling incentive, and effective tax rate on transfer pricing in multinational manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2020–2024 period. This research is quantitative research using secondary data obtained from financial statements published through the official website of the Indonesia Stock Exchange (Indonesia Stock Exchange). The population used in this study consisted of all multinational manufacturing companies listed on the IDX during the 2020–2024 period, totaling 231 companies. The sampling technique used in this research was purposive sampling. Based on several predetermined criteria, 16 companies were selected, resulting in a total of 80 observation data. The data analysis techniques used were descriptive statistics, classical assumption tests, multiple linear regression analysis, and hypothesis testing using IBM SPSS 25. The results of the study show that partially, exchange rate does not have a significant positive effect on transfer pricing, tunneling incentive has a significant positive effect on transfer pricing, while effective tax rate does not have a significant negative effect on transfer pricing. Simultaneously, the variables of exchange rate, tunneling incentive, and effective tax rate have a significant effect on transfer pricing.

Keywords: Exchange Rate, Tunneling Incentive, Effective Tax Rate, Transfer Pricing

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1. Introduction

In an increasingly deepening era of globalization, the development of information and communication technology has eliminated geographical boundaries, enabling multinational companies to expand their operations across various countries more easily. These companies not only establish branches or subsidiaries abroad to access new markets, but also to take advantage of comparative advantages such as lower production costs, access to natural resources, or more favorable tax regulations. However, this expansion is often accompanied by complex challenges, including divergences in tax rates across jurisdictions that encourage companies to adopt sophisticated financial management strategies, such as transfer pricing (Prananda & Triyanto, 2020).

This practice has become a strategic tool for multinational companies to optimize global profit allocation, but it is also often associated with the risk of tax avoidance or financial statement manipulation, which may harm the tax revenues of host countries. Transfer pricing practices are frequently viewed negatively due to their potential to facilitate tax avoidance (Khifni et al., 2025).

Transfer pricing occurs due to the transfer of income or tax base, profit shifting, or cost allocation from one taxpayer to another under common control, which can be manipulated to reduce the total tax liability of the taxpayer. This is regulated under Article 18 paragraph (3) and paragraph (4) of Law No. 7 of 1983

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concerning Income Tax, which has undergone several amendments, most recently with Law No. 7 of 2021 (Khifni et al., 2025).

Table 1. Exchange Rate on Transfer Pricing

Emiten	Company Name	Year	Exchange Rate	Transfer Pricing
GJTL	Gajah Tunggal Tbk	2021	-0.1697	0.5145
		2022	0.127	0.4749
FASW	Fajar Surya Wisesa Tbk	2021	-0.0273	0.2436
		2022	-0.1219	0.2796
MLBI	Multi Bintang Indonesia Tbk	2021	-0.0063	0.4213
		2022	0.0004	0.2821
TPIA	Chandra Asri Petrochemical Tbk	2021	0.0095	0.105
		2022	-0.0567	0.1703
FPNI	Lotte Chemical Titan Tbk	2021	-0.0323	0.436
		2022	-0.6816	0.2636

Based on Table 1.1, the analysis for the 2021–2022 period shows that PT Fajar Surya Wisesa Tbk and PT Lotte Chemical Titan Tbk experienced a significant increase in exchange rates, while transfer pricing decreased. In addition, PT Multi Bintang Indonesia Tbk showed relatively stable exchange rates, but a considerable decline in transfer pricing. Meanwhile, PT Gajah Tunggal Tbk and PT Chandra Asri Petrochemical Tbk showed relatively moderate changes during the research period.

Table 2 Tunneling Incentive on Transfer Pricing

Emiten	Company Name	Year	Tunneling Incentive	Transfer Pricing
GJTL	Gajah Tunggal Tbk	2021	0.4951	0.5145
		2022	0.4951	0.4749
FASW	Fajar Surya Wisesa Tbk	2021	0.5523	0.2436
		2022	0.5523	0.2796
MLBI	Multi Bintang Indonesia Tbk	2021	0.8178	0.4213
		2022	0.8932	0.2821
TPIA	Chandra Asri Petrochemical Tbk	2021	0.3057	0.105
		2022	0.3057	0.1703
FPNI	Lotte Chemical Titan Tbk	2021	0.9250	0.436
		2022	0.9250	0.2636

From Table 1.2, the 2021–2022 analysis shows that PT Multi Bintang Indonesia Tbk and PT Lotte Chemical Titan Tbk experienced the most significant changes, where high tunneling incentive values were accompanied by a substantial decrease in transfer pricing. In contrast, PT Gajah Tunggal Tbk and PT Fajar Surya Wisesa Tbk showed relatively stable relationships. Meanwhile, PT Chandra Asri Petrochemical Tbk experienced an increase in transfer pricing under low tunneling incentive conditions, although the magnitude of the change remained moderate.

Table 3 Effective Tax Rate on Transfer Pricing

Emiten	Company Name	Year	Effective Tax Rate	Transfer Pricing
GJTL	Gajah Tunggal Tbk	2021	-0.1707	0.5145

Emiten	Company Name	Year	Effective Tax Rate	Transfer Pricing
		2022	0.0121	0.4749
FASW	Fajar Surya Wisesa Tbk	2021	-0.0229	0.2436
		2022	-0.2499	0.2796
MLBI	Multi Bintang Indonesia Tbk	2021	-0.2414	0.4213
		2022	-0.258	0.2821
TPIA	Chandra Asri Petrochemical Tbk	2021	-0.2483	0.105
		2022	-0.1534	0.1703
FPNI	Lotte Chemical Titan Tbk	2021	0.341	0.436
		2022	-0.0798	0.2636

Based on Table 1.3, the analysis for the 2021–2022 period shows that PT Fajar Surya Wisesa Tbk and PT Lotte Chemical Titan Tbk experienced a decrease in the Effective Tax Rate (ETR), but this condition was not followed by an increase in transfer pricing practices. Conversely, PT Gajah Tunggal Tbk and PT Chandra Asri Petrochemical Tbk showed relatively consistent relationships between ETR and transfer pricing. Meanwhile, PT Multi Bintang Indonesia Tbk exhibited high transfer pricing values despite relatively stable ETR values.

Based on the explanation above, there is an empirical research gap regarding the factors influencing transfer pricing practices. Specifically, previous studies show contradictory findings: the Exchange Rate (X1) variable is reported to have both significant and insignificant effects. Similarly, Tunneling Incentive (X2) has been found to have a positive effect, while other studies report no effect. Furthermore, results regarding Effective Tax Rate (X3) are also inconsistent, ranging from positive, negative, to no significant effect.

This inconsistency indicates that the influence of these variables is highly sensitive to temporal and sectoral contexts. Therefore, this study is relevant and important as it focuses on the post-pandemic global crisis period (2020–2024) and uses a specific sample of multinational manufacturing companies listed on the Indonesia Stock Exchange (IDX), which during this period faced profit pressure and high exchange rate volatility. It is expected that this study will provide updated empirical evidence to bridge previous inconsistencies and contribute clearly to regulators and corporate governance practices.

2. Theoretical Review

Positive Accounting Theory

Positive accounting theory explains why accounting policies become an issue for companies and stakeholders who are interested in financial statements, as well as to predict which accounting policies a company will choose under certain conditions. One of the hypotheses in this theory is the political cost hypothesis, which states that, all other things being equal, the greater the political costs borne by a company, the more likely managers are to choose accounting procedures that shift reported profits from the current period to future periods. The political cost hypothesis introduces a political dimension in the selection of accounting policies. Very large companies are often subject to higher performance expectations, including social and environmental responsibilities, simply because they are perceived as large and influential (Hariyani & Ayem, 2021).

Transfer Pricing

Transfer pricing is the practice of determining prices for internal transactions involving entities under the control of the same company, such as subsidiaries, branch units, or divisions operating in different jurisdictions (Gurusinga et al., 2024). This practice is also part of business and taxation activities to verify whether prices in related-party transactions comply with the arm's length principle. Transfer pricing is generally used to shift profits from high-tax countries to tax haven countries with lower tax rates, so that prices tend to be set below market value. The existence of tax havens and related-party relationships provides opportunities for companies to avoid taxes while maximizing profits (Simanullang, 2023).

Exchange Rate

The exchange rate is the price at which two different currencies are exchanged, representing the value comparison between the two currencies. This comparison is referred to as the exchange rate (Putri & Lindawati, 2023). Exchange rates have two accounting effects: the process of recording transactions in foreign currencies and the impact on the overall profit and loss reporting of a company. A country's policy of increasing the value of its currency against foreign currencies is called revaluation, while decreasing its value is called devaluation. In analyzing exchange rates, the concept of the real exchange rate is used. The real exchange rate is the nominal exchange rate adjusted for relative prices, namely domestic prices compared to foreign prices (Khifni et al., 2025).

Tunneling Incentive

A tunneling incentive is a benefit obtained by majority shareholders through the transfer of company assets and profits, while the losses are borne by minority shareholders. The emergence of tunneling incentives is triggered by differences in interests and objectives between majority and minority shareholders. Concentrated ownership in one party has a negative impact because it provides the ability to control company operations for personal interests (Marito & Putri, 2025). This practice is often carried out through improper transfer pricing or related-party transactions, which ultimately damages the overall value of the company (Putri & Lindawati, 2023).

Effective Tax Rate

The effective tax rate (ETR) is used as an indicator to measure a company's tendency to shift profits to countries with lower tax rates in order to minimize its tax burden legally. The higher the ETR, the greater the tax burden borne by the company, which encourages management to minimize taxes through transfer pricing practices. Thus, the amount of tax expense serves as a strong indicator of management's intention to apply transfer pricing as a strategy to legally reduce tax obligations (Marliana et al., 2022).

Research Methodology

The data collection in this study uses secondary data, and the data collection technique applies purposive sampling obtained from the financial statements of multinational manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2020–2024 period. The population consists of 231 companies, while the sample in this study comprises 16 companies. This study employs several data tests, namely Descriptive Statistics, Classical Assumption Tests, and Normality Tests, which include Multicollinearity Test, Autocorrelation Test, and Heteroscedasticity Test. Furthermore, the analysis uses Multiple Linear Regression Analysis and Hypothesis Testing, consisting of the T-test, F-test, and Coefficient of Determination test.

3. Results and Discussion

Descriptive Statistical Results

Table 4 Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
X1	80	-12.1902	1.4300	-0.125533	1.4175694
X2	80	0.3057	0.9879	0.626609	0.1794104
X3	80	-2.8870	0.7872	-0.153659	0.3986606
Y	80	0.0000	0.9697	0.243794	0.2611652
Valid N (listwise)	80				

Based on data processing using SPSS, the following results were obtained:

1. The X1 variable (Exchange Rate / ER) has a minimum value of -12.1902 from PT Fajar Surya Wisesa Tbk in 2022 and a maximum value of 1.4300 from PT Asia Pacific Fibers Tbk in 2020, with a mean value of -0.125533 and a standard deviation of 1.4175694. This indicates that the average value of the variable tends to be negative with a relatively large degree of variation, suggesting significant fluctuations in exchange rates among the sampled companies.
2. The X2 variable (Tunneling Incentive / TI) has a minimum value of 0.3057 from PT Chandra Asri Petrochemical Tbk and a maximum value of 0.9879 from PT Merck Sharp Dohme Pharma Tbk, with a mean of 0.626609 and a standard deviation of 0.1794104. This shows that the level of controlling ownership in the sampled companies is relatively high, which potentially influences corporate policies.
3. The X3 variable (Effective Tax Rate / ETR) has a minimum value of -2.8870 from PT Fajar Surya Wisesa Tbk in 2022 and a maximum value of 0.7872 from PT Chandra Asri Petrochemical Tbk in 2020, with a mean of -0.153659 and a standard deviation of 0.3986606. This indicates considerable variation in tax burdens, including negative values which may reflect differences in tax recognition or specific conditions within the companies.
4. The Y variable (Transfer Pricing / TP) has a minimum value of 0.0000 from PT KMI Wire & Cable Tbk in 2020 and a maximum value of 0.9697 from PT Mandom Indonesia Tbk in 2023, with a mean of 0.243794 and a standard deviation of 0.2611652. This shows that the level of related-party transactions varies significantly across companies, with some firms exhibiting a high proportion of such transactions.

Normality Test Results

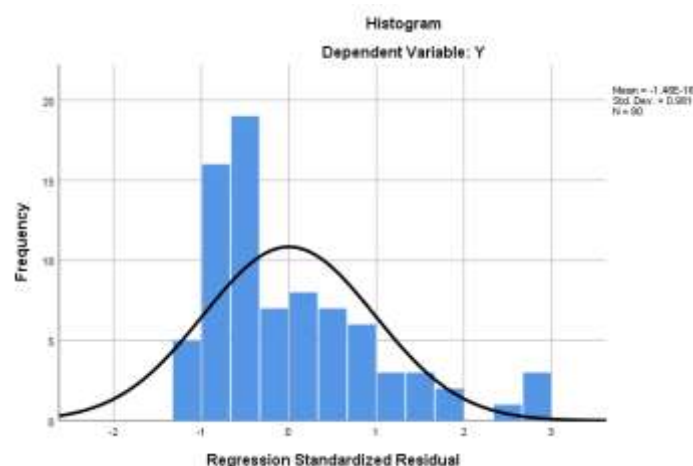


Figure 1 Histogram Chart

Based on the histogram above, the residual data is distributed in a pattern that approaches a bell-shaped curve. Although it is not perfectly symmetric, the distribution does not show extreme deviation to the left or right. Therefore, visually, the regression model can be considered to approximately satisfy the normality assumption.

The results of the subsequent normality test can be observed in the Normal Probability Plot analysis below:

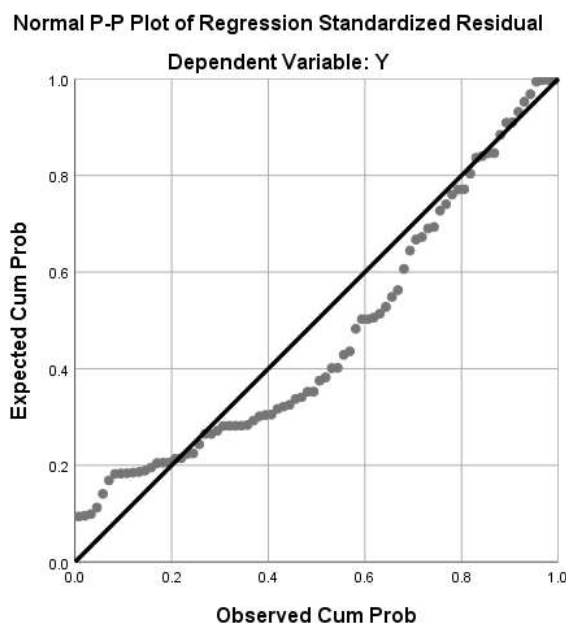


Figure 2 Normal Probability Plot

In the Normal Probability Plot graph, it can be observed that the points are spread around the diagonal line and mostly follow its direction. This indicates that, visually, the residual data tends to be normally distributed, although there are slight deviations. The next test to provide statistical confirmation is the One-Sample Kolmogorov–Smirnov test. The decision criteria used are as follows:

1. If the significance value (Asymp. Sig.) > 0.05, then the data is normally distributed.
2. If the significance value (Asymp. Sig.) < 0.05, then the data is not normally distributed.

The results of the Kolmogorov–Smirnov statistical test are presented in the table below:

Table 5. One-Sample Kolmogorov–Smirnov Test

Statistic	Unstandardized Residual
N	80
Normal Parameters^{a,b}	
Mean	0.0000000
Std. Deviation	0.25205713
Most Extreme Differences	
Absolute	0.150
Positive	0.150
Negative	-0.103
Test Statistic	0.150
Asymp. Sig. (2-tailed)	0.000 ^c

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

Based on the normality test results using the One-Sample Kolmogorov–Smirnov statistic, the significance value (Asymp. Sig.) obtained is 0.000. This value is smaller than 0.05 ($0.000 < 0.05$), indicating that the residual data in the regression model is not normally distributed.

However, regression analysis can still be conducted because the sample size in this study is sufficiently large, namely 80 observations ($n > 30$). Based on the Central Limit Theorem, the sampling distribution tends to approximate normality as the sample size increases; therefore, the regression model remains appropriate for hypothesis testing.

Multicollinearity Test Results

Table 6 Multicollinearity Test Results

Model	Variabel	B (Unstandardized Coefficients)	Std. Error	Beta (Standardized Coefficients)	t	Sig.	Tolerance	VIF
1	(Constant)	0.150	0.148	-	1.014	0.315	-	-
1	X1	-0.018	0.102	-0.024	-0.180	0.857	0.993	1.007
1	X2	0.217	0.200	0.145	1.088	0.281	0.983	1.017
1	X3	-0.063	0.315	-0.027	-0.201	0.842	0.988	1.012

Based on the multicollinearity test results presented in the table, the following values were obtained:

1. Variable X1 has a Tolerance value of 0.351 and a VIF value of 2.846.
2. Variable X2 has a Tolerance value of 0.992 and a VIF value of 1.008.
3. Variable X3 has a Tolerance value of 0.351 and a VIF value of 2.847.

All independent variables show Tolerance values greater than 0.10 and VIF values less than 10.00. Therefore, it can be concluded that no multicollinearity problem exists in this regression model, indicating that the model is suitable for further analysis.

Heteroscedasticity Test Results

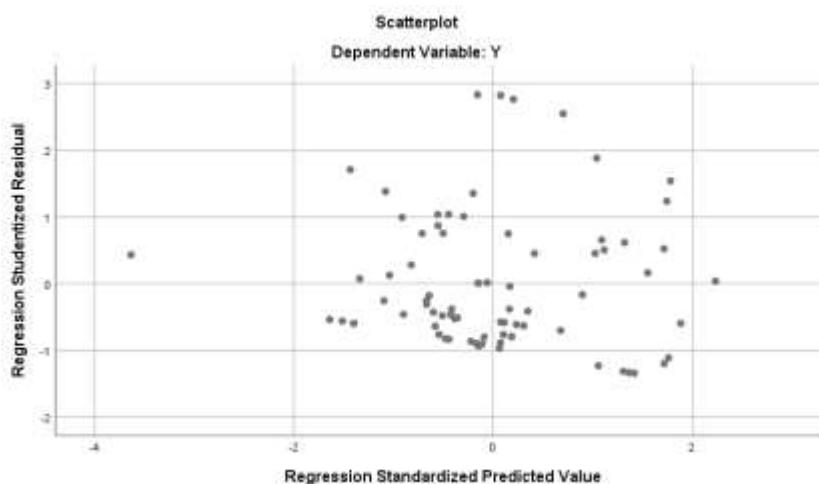


Figure 3 Heteroscedasticity Test Results

Table 4.6 shows that the data points are spread randomly and are distributed both above and below the value 0 on the Y-axis. Therefore, it can be concluded that there is no heteroscedasticity in this study.

Autocorrelation Test Results

Table 7 Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.375	0.141	0.107	0.2348106	0.968

Based on the Durbin–Watson test results, a value of 0.968 was obtained. This value is less than 2, indicating that positive autocorrelation exists in the regression model. This autocorrelation suggests that there is a correlation between residuals across different observation periods, meaning that the assumption of error independence is not satisfied.

The occurrence of autocorrelation may be caused by the characteristics of the research data, which are in the form of time series/panel data, as well as variables that tend to remain relatively stable across periods, such as the tunneling incentive variable. This condition causes the residuals to exhibit a certain pattern over time.

Multiple Linear Regression Analysis Results

This analysis is used to determine the extent of the influence of Exchange Rate (X_1), Tunneling Incentive (X_2), and Effective Tax Rate (X_3) on Transfer Pricing (Y).

Table 8. Multiple Linear Regression Analysis Results

Model	Variabel	B (Unstandardized Coefficients)	Std. Error	Beta (Standardized Coefficients)	t	Sig.
1	(Constant)	-0.017	0.097	-	-	0.860
	X1	0.113	0.195	0.063	0.581	0.563
	X2	0.466	0.149	0.336	3.121	0.003
	X3	-0.144	0.106	-0.146	-	0.177
					1.363	

The multiple linear regression equation is as follows:

$$Y = -0.17 - 0.113X_1 + 0.466X_2 - 0.144X_3 + \epsilon$$

Based on the regression equation above, the interpretation is as follows:

1. Constant (α): -0.17
 This indicates that if Exchange Rate, Tunneling Incentive, and Effective Tax Rate are equal to 0, then the value of Transfer Pricing (Y) is -0.017.
2. Coefficient X_1 (b_1): 0.113
 This shows that Exchange Rate has a positive effect on Transfer Pricing. This means that for every one-unit increase in Exchange Rate, Transfer Pricing increases by 0.113, assuming other variables remain constant.
3. Coefficient X_2 (b_2): 0.466
 This indicates that Tunneling Incentive has a positive effect on Transfer Pricing. This means that for every one-unit increase in Tunneling Incentive, Transfer Pricing increases by 0.466, assuming other variables remain constant.
4. Coefficient X_3 (b_3): -0.144
 This shows that Effective Tax Rate has a negative effect on Transfer Pricing. This means that for every one-unit increase in Effective Tax Rate, Transfer Pricing decreases by 0.144, assuming other variables remain constant.

Partial Test (t-test Results)

The t-test is used to determine how significantly each independent variable individually (partially) explains the variation in the dependent variable. The results of the t-test are presented in the table below.

Table 9 Partial Test (t-test Results)

Model	Variabel	B	Std. Error	Beta	t	Sig.
	(Constant)	-0.017	0.097	-	-0.177	0.860
	X1	0.113	0.195	0.063	0.581	0.563
	X2	0.466	0.149	0.336	3.121	0.003
	X3	-0.144	0.106	-0.146	-1.363	0.177

Dependent Variable: Y

Based on Figure 4.8 above, the results can be explained as follows:

1. Exchange Rate (X₁): The calculated t-value (0.581) < t-table (2.003) with a significance value of 0.563 > 0.05. This indicates that, partially, Exchange Rate does not have a significant positive effect on Transfer Pricing.
2. Tunneling Incentive (X₂): The calculated t-value (3.121) > t-table (2.003) with a significance value of 0.003 < 0.05. This shows that Tunneling Incentive has a significant positive effect on Transfer Pricing.
3. Effective Tax Rate (X₃): The calculated t-value (-1.363) < t-table (2.003) with a significance value of 0.177 > 0.05. This indicates that Effective Tax Rate does not have a significant negative effect on Transfer Pricing.

Simultaneous Test (F-test Results)

The simultaneous test (F-test) is used to examine the regression model or the effect of all independent variables, namely Exchange Rate (X₁), Tunneling Incentive (X₂), and Effective Tax Rate (X₃), simultaneously on the dependent variable Transfer Pricing (Y). The determination of the F-table value requires degrees of freedom calculated using the following formula:

Table 10. Simultaneous Test (F-test Results)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	0.687	3	0.229	4.154	0.009
Residual	4.190	76	0.055	-	-
Total	4.877	79	-	-	-

Based on Figure 4.9, the results of the simultaneous hypothesis testing show that the calculated F-value (4.154) > F-table (2.73) with a significance level of 0.009 < 0.05. Therefore, it can be concluded that Exchange Rate (X₁), Tunneling Incentive (X₂), and Effective Tax Rate (X₃) jointly have a significant effect on Transfer Pricing (Y). This indicates that the regression model used is suitable (fit) for predicting the dependent variable.

Coefficient of Determination Results

Table 11 Coefficient of Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.375	0.141	0.107	0.2348106

Based on Figure 4.10 above, the coefficient of determination (R Square) is 0.141 or 14.1%. This means that the variables Exchange Rate (X₁), Tunneling Incentive (X₂), and Effective Tax Rate (X₃) simultaneously explain 14.1% of the variation in Transfer Pricing (Y), while the remaining 85.9% is influenced by other factors such as profitability, leverage, corporate governance, debt covenant, and others.

Discussion

Effect of Exchange Rate on Transfer Pricing

Based on the partial test (t-test), the Exchange Rate (ER) variable has a t-value of 0.581 with a significance level of $0.563 > 0.05$. This indicates that Exchange Rate does not have a significant positive effect on Transfer Pricing in manufacturing companies listed on the Indonesia Stock Exchange.

This finding suggests that exchange rate fluctuations are not a primary factor influencing companies' transfer pricing decisions. Although theoretically exchange rate changes may affect costs and revenues of multinational firms, in practice companies tend to consider other factors such as internal policies, tax regulations, and intra-group relationships.

In addition, this result indicates that most manufacturing firms in the sample are likely not significantly exposed to exchange rate risk or have implemented hedging strategies, so the impact of currency fluctuations on transfer pricing decisions becomes less significant (Putri & Lindawati, 2023).

Effect of Tunneling Incentive on Transfer Pricing

Based on the t-test results, the Tunneling Incentive (TI) variable has a t-value of 3.121 with a significance level of $0.003 > 0.05$. This indicates that Tunneling Incentive has a significant positive effect on Transfer Pricing. This result suggests that the level of controlling ownership does not directly drive transfer pricing practices in the sample firms. Theoretically, higher controlling ownership increases the potential for tunneling behavior, namely the transfer of company resources for private benefit. However, this study does not empirically confirm that assumption.

This may be due to stronger monitoring mechanisms from both regulators and internal corporate governance, which limit majority shareholders' ability to engage in actions that harm minority shareholders. The implementation of good corporate governance principles may also reduce tunneling practices through transfer pricing (Zidane, 2025).

Effect of Effective Tax Rate on Transfer Pricing

Based on the partial test (t-test), the Effective Tax Rate (ETR) has a t-value of -1.363 with a significance level of $0.177 > 0.05$. This indicates that ETR does not have a significant negative effect on Transfer Pricing. This finding suggests that the level of tax burden does not directly influence companies' transfer pricing decisions. Although theoretically firms tend to use transfer pricing to minimize tax burden, this study does not find empirical evidence supporting that assumption.

This may be due to strict tax regulations on related-party transactions, such as transfer pricing documentation requirements and supervision by tax authorities. With such oversight, companies tend to be more cautious in applying transfer pricing strategies and are not solely driven by tax minimization motives (Khifni et al., 2025).

Simultaneous Effect of Exchange Rate, Tunneling Incentive, and Effective Tax Rate on Transfer Pricing

Based on the F-test results, the calculated F-value is 0.4154 with a significance level of $0.009 > 0.05$. This indicates that, simultaneously, Exchange Rate (X_1), Tunneling Incentive (X_2), and Effective Tax Rate (X_3) have a significant effect on Transfer Pricing (Y).

In addition, the coefficient of determination (R^2) of 0.141 or 14.1% shows that the explanatory power of the independent variables is relatively low. Only 14.1% of Transfer Pricing variation can be explained by these variables, while the remaining 85.9% is influenced by other variables such as profitability, leverage,

corporate governance, debt covenant, and others. Thus, the research model is not yet strong enough to fully explain the determinants of transfer pricing, and future studies are encouraged to include additional relevant variables.

4. Conclusion

Based on the data analysis and discussion regarding the effect of Exchange Rate (ER), Tunneling Incentive (TI), and Effective Tax Rate (ETR) on Transfer Pricing in manufacturing companies listed on the Indonesia Stock Exchange during the 2020–2024 period, the conclusions are as follows:

1. Exchange Rate does not have a significant positive effect on Transfer Pricing in multinational manufacturing companies listed on the IDX during 2020–2024.
2. Tunneling Incentive has a significant positive effect on Transfer Pricing in multinational manufacturing companies listed on the IDX during 2020–2024.
3. Effective Tax Rate does not have a significant negative effect on Transfer Pricing in multinational manufacturing companies listed on the IDX during 2020–2024.
4. Exchange Rate, Tunneling Incentive, and Effective Tax Rate simultaneously have a significant effect on Transfer Pricing in multinational manufacturing companies listed on the IDX during 2020–2024.

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