

Influence *Effective Tax Rate, Tunneling Incentive, Leverage, Bonus Mechanism and Exchange Rate on Transfer Pricing* (Empirical Study of Mining Companies Listed on the Indonesia Stock Exchange for the 2019-2023 Period)

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ABSTRACT

Study aims to determine the influence of effective tax rate, tunneling incentive, leverage, bonus mechanism and exchange rate on transfer pricing. The object of this research is mining companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period. The population of this study is the annual reports of 63 companies. The sample technique was selected based on certain criteria using purposive sampling techniques. There were 27 companies. The data collection method for this study used secondary data. The results of this study conclude that the Effective Tax Rate does not significantly influence Transfer Pricing. This is evidenced by the significance value of $0.460 > 0.05$. Tunneling Incentives do not significantly influence Transfer Pricing. This is evidenced by the significance value of $0.537 > 0.05$. Leverage does not have a significant effect on Transfer Pricing. This is evidenced by the significance value of $0.313 > 0.05$. The bonus mechanism has a significant effect on Transfer Pricing. This is evidenced by the significance value of $0.000 < 0.05$. Exchange Rate (ER) does not have a significant effect on Transfer Pricing (TP). This is evidenced by the significance value of $0.134 > 0.05$.

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1. INTRODUCTION

The growth of multinational corporations is often exploited to avoid taxes, given the differences in tax rates between countries and efforts to reduce high tax burdens. One method used to achieve this is through *transfer pricing practices*. (Hertanto et al., 2023) . Therefore, companies often use *transfer pricing practices* to set prices for these transactions (Azhar and Setiawan 2021) . *Transfer pricing* is a company's policy for setting transfer prices for goods, services, or financial transactions carried out by a company (Novira et al., 2020) . There are two types of *transfer transactions*: The first *pricing* , *intra-company* , is a transaction between divisions within one company. The second is *inter-company* , which is a transaction between two companies that have a special relationship (Khaerul, 2020) .

Research phenomena on the influence of *effective tax rates* , *tunneling incentives* , *leverage* , *bonus mechanisms*, and *exchange rates* on *Transfer pricing* is demonstrated by the fact that multinational companies

frequently use *transfer pricing* to manage profits by setting prices in intercompany transactions within the group. Typically, companies shift profits to low-tax countries to reduce their tax burden. Furthermore, the prices of goods or services are often set to benefit certain entities, for example by setting prices higher or lower than market value. This practice aims to maximize the group's profits, but can be detrimental to other parties, such as small shareholders or countries with high taxes that lose revenue. Companies also often exploit exchange rate fluctuations to reduce taxes in certain countries. While beneficial to companies, this practice risks violating regulations if it does not comply with the principle of fair pricing. Therefore, many countries are tightening oversight of *transfer pricing* to prevent this. tax avoidance .

Agency theory , according to Jensen and Meckling (1976), explains the relationship between managers (agents) and shareholders (principals), where the principal delegates authority to the agent to maximize shareholder wealth. The employment contract regulates the distribution of profits and risks between the two, with the aim of creating a balance of interests (Lesmono and Siregar 2021) . Agency conflicts arise due to information mismatches between principals and agents, where managers have more information (Anggraini, 2019) . This problem can cause agents to not always make decisions that benefit shareholders, such as in the practice of tax avoidance to increase company value (C Dwi Lestari, 2021) .

Signal theory *explains* how the actions of signalers influence the perceptions and responses of signal recipients (Nahdhiyah and Alliyah 2023). Signals consist of information that reveals management's actions to achieve the goals of the company's owners (Hertanto et al., 2023). For investors and business people, information is crucial because it provides an overview of a company's past, present, and projected future condition, as well as its impact on the stock market. This theory can reflect a company's financial condition and potential tax avoidance (Cahyo and Napisah 2023). research on *transfer pricing* . However, there are still many discrepancies in the results of previous studies, such as those conducted by Maryanti (2024) ; Hertanto et al. (2023) ; Nadiah Adilah et al. (2022) ; Suprianto and Pratiwi (2017) ; Refgia et al. (2017) , and several other researchers, which stated that *the effective tax rate* has a significant positive effect on *transfer pricing* . However, this contrasts with the results of a study conducted by Cristina and Murtiningtyas (2021) , which found that taxes have no effect on transfer pricing.

Research conducted by Azhar and Setiawan (2021) ; Purwanto and Tumewu (2018) ; Baiti and Suryani (2020) ; and Chalimatussa'diyah et al. (2020) stated that *tunneling incentives* have a significant effect on *transfer pricing* . However, research conducted by Khotimah (2018) , Amanah and Suyono (2020) stated that *tunneling incentives* have no effect on *transfer pricing*.

Research by Pratiwi (2018) ; Shindy (2023) ; and Maryanti (2024) found that *leverage* has a positive effect on *transfer pricing* . This contrasts with the research conducted by Azhar and Setiawan (2021) , which found that *leverage* had no positive effect on *transfer pricing*.

Research by Angarsari (2023) ; Setyorini and Nurhayati (2022) ; Cristina and Murtiningtyas (2021) ; Ratsianingrum et al. (2020) ; Tania and Kurniawan (2019) revealed that the bonus mechanism has a positive and significant effect on *transfer pricing* . However, this is in contrast to research conducted by Adhika and Wulandari (2023) ; Agustin and Stiawan (2022) ; Widiyastuti and Asalam (2021) ; and Rahmawati (2018). Which revealed that the bonus mechanism has no effect on *transfer pricing*.

Apriani et al (2020) ; Pratiwi (2018) ; Choirunnisa et al (2022) stated that *the exchange rate* has a positive effect on *transfer pricing* . However, this is not in line with research conducted by Mayzura and Apriwenni (2023) , which revealed that *the exchange rate* has no influence on *transfer pricing* . Higher or lower exchange rates will not affect the company's decision to carry out *transfer pricing*.

Judging from the inconsistent results of previous research, this provides motivation for researchers to re-test the influence of *effective tax rates*, *tunneling incentives*, *leverage* , and *exchange rates* on *transfer pricing* . This study aims to determine the influence of *effective tax rate* , *tunneling incentive* , *leverage* , bonus mechanism and *exchange rate* on *transfer pricing*.

2. LITERATURE REVIEW

Agency Theory (*agency theory*)

According to Jensen and Meckling (1976), *agency theory* describes the relationship between company managers as agents and shareholders as principals. Principals are parties who delegate authority to agents to act on their behalf, while managers act as agents who carry out actions in the interests of shareholders, with the main goal of maximizing shareholder wealth. The relationship between principals and agents arises from an agreement in the form of a contract that binds both parties (Cahyani, 2019) .

Signaling Theory

Signaling Theory explains how actions taken by signalers can influence the perceptions and responses of signal recipients (Nahdhiyah and Alliyah 2023) . This signal is in the form of information that reveals actions taken by management to achieve the goals of the company's owners (Hertanto et al. 2023) . For investors and business people, information is a very important element because it basically provides an understanding or picture

of the company's condition, both related to the past, current situation, and future projections, as well as its impact on the stock market. Through signaling theory, a company's financial condition can be reflected, as well as the possibility of tax avoidance that occurs in the company (Cahyo and Napisah 2023) .

Transfer Pricing

According to Alawiyah et al. (2024) *Transfer pricing* is the pricing of goods, services, or intangible assets transferred between divisions within a company or between related companies, including multinational corporations. *Transfer pricing* can be divided into two categories: pricing transfers between divisions within a company, and pricing for transactions between related companies.

$$\text{Transfer pricing} = \frac{\text{Piutang Transaksi Pihak Berelasi}}{\text{Jumlah Piutang}}$$

Source: (Praktis 2012:227)

Effective Tax Rate

The definition of tax based on the KUP Law Number 28 of 2007 Article 1 paragraph 1, "tax is a mandatory contribution to the state owed by individuals or bodies which is of a compulsory nature based on the law, without receive direct compensation and use it for state needs for the greatest prosperity of the people . According to Refgia et al. (2017), one of the main reasons companies carry out *transfer pricing* is to reduce the tax burden they have to pay. When companies feel that the taxes imposed in the country where they operate are not If operating at too high a level, they will seek ways to avoid paying these high taxes. One common method is *transfer pricing* , where the prices of goods or services traded between companies within a multinational group are adjusted to reduce tax liabilities.

$$\text{ETR} = \frac{\text{Beban pajak}}{\text{Laba sebelum pajak}}$$

Source: (Prayogi et al., 2021:45)

Tunneling Incentive

Transfer pricing decisions can be influenced by share ownership (Nuradilla and Wibowo 2018) . Concentrated share ownership in one party or group allows that party to have full control over the company's business activities, allowing the company to operate in accordance with the interests of the majority shareholder (Refgia et al., 2017) . If the majority shareholder has a large stake, they will seek to obtain high dividends by transferring company wealth for personal gain, often to the detriment of minority shareholders (Baiti and Suryani 2020) .

$$\text{TNC} = \frac{\text{Jumlah Kepemilikan Saham Terbesar}}{\text{Jumlah Saham Beredar}}$$

Source: (Mulyani et al., 2020)

Leverage

Leverage is the use of assets and funding sources (debt) at a fixed cost by a company to increase profits for shareholders (Mayzura and Apriwenni 2023) . Debt funds are used to purchase additional equipment to increase production, employee numbers, or business expansion (Maryanti, 2024) . *Leverage* can be used as a measuring tool to assess the extent to which a company's assets are funded by debt and to evaluate the company's ability to meet its financial obligations within a certain period (Wahyudi and Fitriah 2021) .

$$\text{DER} = \frac{\text{Total Utang}}{\text{Total Ekuitas}}$$

Source: (Atika et al., 2021)

Bonus mechanism

A bonus mechanism is additional compensation or recognition given to employees for successfully achieving company goals (Badri et al., 2021) . Bonuses are determined by company leaders, sometimes based on position, such as bonuses given to managers or directors (Simanullang, 2023) . Typically, bonuses given to managers or directors can take the form of allowances, sales incentives, and other incentives.

$$\text{ITRENDDBL} = \frac{\text{Laba Bersih Tahun } (t)}{\text{Laba Bersih Tahun } (t-1)}$$

Source: (Shindy, 2023)

Exchange Rate (Exchange rate)

According to **FASB (Financial Accounting Standards Board)** , An *exchange rate* is the exchange rate that can be used to exchange one currency for another at a given time. The difference between real and nominal exchange rates is important to understand because they have different impacts on currency risk (Baiti & Suryani, 2020) . Agency theory explains that motivational factors drive individuals to choose certain methods, such as

transfer pricing, in order to maximize profits or minimize overall exchange rate losses for the company (Saputra et al., 2020) .

$$ER = \frac{\text{Laba rugi selisih kurs}}{\text{Laba rugi sebelum pajak}}$$

Source: (Adhika and Wulandari 2023)

3. RESEARCH HYPOTHESIS

The influence of the effective tax rate on transfer pricing

Tax is an obligation that must be paid by individuals or entities to the government based on applicable general regulations, without any specific obligations or compensation for the individual (Cristina and Murtiningtyas 2021) . The increase in *transfer pricing* practices is caused by high tax rates and weaknesses in tax regulations, where companies view taxes as a profit-deductible factor (Sujannah, 2021) .

H 1 : Effective tax rate has an effect on transfer pricing

The influence of tunneling incentives on transfer pricing

One form of tunneling is the role of controlling shareholders in transferring company resources through related party transactions (Marfuah and Azizah 2014) . Concentrated share ownership creates control rights and provides opportunities for controlling shareholders to expropriate the rights of non-controlling shareholders through tunneling activities (Mulyani et al., 2020) .

H 2: Tunneling Incentives have an effect on transfer pricing

Leverage is used as a parameter to estimate the level of assets financed by debt funding sources (Desyana et al., 2023) . *Leverage* is a ratio used to assess a company's ability to control its debt relative to its total equity. (Atika et al., 2021) . Companies generally use debt to third parties to carry out their operational activities (Apriani et al., 2020) . When a company has debt, it automatically incurs interest expenses, which are deducted when calculating taxable income (Sujannah, 2021) .

H 3 : Leverage has an effect on transfer pricing

The influence of bonus mechanisms on transfer pricing

This bonus mechanism is based on agency theory, which explains that company owners and managers, as representatives of the owners in company management, have different interests (Rahayu et al., 2020) . Company owners expect optimal manager performance to increase company profits, while managers desire additional incentives in the form of work bonuses for their achievements (Badri et al., 2021) . The higher the profit target to maximize bonuses, the greater the likelihood of *transfer pricing practices* to increase profits (Suastini and Yuniasih, 2022) . However, this *transfer pricing* practice can potentially cause losses to one of the company's divisions or subunits.

H 4 : Bonus mechanisms have an impact on transfer pricing

The influence of exchange rates on transfer pricing

An *exchange rate* , also known as a rate, is the exchange rate for current or future payments between two different currencies. Agency theory explains that motivational factors drive individuals to choose certain methods, such as transfer pricing, to maximize profits or minimize overall exchange rate losses for a company (Saputra et al., 2020) .

H 5 : Exchange rate has an effect on transfer pricing

4. RESEARCH METHODOLOGY

This research will be conducted on mining sector companies listed on the Indonesia Stock Exchange (IDX). Data obtained based on the official website of the Indonesian Stock Exchange at www.idx.co.id. The time of this research was conducted in July 2025. This type of research uses a quantitative method that describes and explains how the influence of the phenomenon that is the object of research and uses empirical facts using secondary data sources obtained from the IDX in the period 2019-2023. The purpose of this study is to determine the effect of *the effective tax rate* , *tunneling incentive* , *leverage* , bonus mechanisms and *exchange rates* on *transfer pricing*.

The population in this study is mining companies listed on the Indonesia Stock Exchange (IDX) for the period 2019-2023. This study population uses all 63 mining companies listed on the Indonesia Stock Exchange for the period 2019-2023, which can be seen on the [website www.idx.co.id](http://www.idx.co.id). This study used *purposive sampling* with several predetermined criteria. Companies that met the researcher's criteria were selected. Those that did not meet the predetermined criteria were ignored or not included in the sample. A total of 27 companies were sampled in this study.

5. RESULTS

Descriptive Statistical Test

	N	Minimum	Maximum	Mean	Std. Deviation
ETR	115	(4,30)	46,12	0,52	4,02
TNC	115	0,03	5,00	0,96	0,90
LVRG	115	0,00	11,79	1,19	1,72
ITRENDBL	115	(6,86)	51,51	2,68	6,75
ER	115	(0,34)	61,88	0,72	5,51
TP	115	0.00	18.75	0.73	2.09
Valid (listwise)	N 115				

Descriptive statistics are used to provide an overview of the data used in this study, which consists of 115 observations from 2019–2023. The descriptive statistics for each variable are shown in the following table:

1. *Effective Tax Rate (ETR)* variable shows a minimum value of 4.30, while the maximum value is 46.12 . The average value is 0.52 and a standard deviation of 4.02. A standard deviation value greater than the mean indicates a large overall variance in the data.
2. Variable *Tunneling Incentive (TNC)* which shows that the minimum value is 0.03 while the maximum value is 5.00 . With an average value of 0.96 with a standard deviation of 0.90. A standard deviation value smaller than the mean value means that the data has a small overall variance.
3. *Debt to Equity Ratio (DER)* variable shows a minimum value of 0.00 and a maximum value of 11.79 . The average value is 1.19 and a standard deviation of 1.72. A standard deviation greater than the mean indicates a large overall variance in the data.
4. The Net Profit Trend Index (ITRENDBL) variable shows that the minimum value is (6.86) while the maximum value is 51.51 . With an average value of 2.68 and a standard deviation of 6.75. A standard deviation value greater than the mean value indicates that the data has a large overall data variance.
5. *Exchange Rate (ER)* Variable which shows that the minimum value is (0.34) while the maximum value is 61.88 . With an average value of 0.72 with a standard deviation of 5.51. A standard deviation value that is greater than the mean value means that the data has a large overall data variance.
6. Variable *Transfer Pricing (TP)* which shows that the minimum value is 0.00 while the maximum value is 18.75 . With an average value of 0.73 with a standard deviation of 2.09. A standard deviation value greater than the mean value means that the data has a large overall data variance.

Classical Assumption Test

Normality Test

Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		115
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	60.08381774
Most Extreme Differences	Absolute	.101
	Positive	.050
	Negative	-.101
Test Statistic		.101
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

The Kolmogorov-Smirnov test, the Asymp. Sig. (2-tailed) value was 0.200, which is greater than the significance value of 0.05. Therefore, it can be concluded that the residuals in this model are normally distributed, so the normality assumption is met.

Multicollinearity Test

Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	ETR	.898	1,114
	TNC	.890	1,124
	LVRG	.979	1,021
	MB	.961	1,041
	ER	.986	1,014

a. Dependent Variable: TP

From the data above, it can be seen that all variables have a Tolerance value above 0.10 and a VIF value below 10. Therefore, it can be concluded that in this regression model there is no multicollinearity problem, so that the relationship between independent variables does not interfere with each other significantly.

Autocorrelation Test

Model Summary^b

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.900 ^a	.810	.789	63.26503	1,624

a. Predictors: (Constant), ER, ETR, MB, LVRG, TNC

b. Dependent Variable: TP

Source: processed data 2025

In this study, the autocorrelation test was conducted using the Durbin-Watson method. Based on the results of the regression analysis above between the residual and TP, the Durbin-Watson value was 1.624.

Heteroscedasticity Test

Coefficients^a

Model		Unstandardized Coefficients B	Standardized Coefficients Beta	T	Sig.
1	(Constant)	-132.718		-1.456	.153
	LN_X1	42.549	.330	1.929	.061
	TNC	-.263	-.186	-1.152	.256
	LVRG	.096	.090	.589	.559
	LN_X4	22.527	.256	1.741	.089
	ER	-.552	-.027	-.179	.859

a. Dependent Variable: ABS_RES2

Based on the test results displayed in the Coefficients table, the significance value (Sig./p-value) for each variable is as follows:

- *Effective Tax Rate* has a significance value of 0.061
- *Tunneling Incentive* has a significance value of 0.256
- *Leverage* has a significance value of 0.559
- *ITRENDBL* has a significance value of 0.089
- *Exchange Rate* has a significance value of 0.859

All significance values are greater than 0.05, so it can be concluded that there are no independent variables that have a significant effect on the TP (*Transfer Pricing*) value.

Multiple Regression Analysis Test Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	1.358	18.810		.072	.943
	ETR	.350	.470	.051	.744	.460
	TNC	-.078	.126	-.042	-.622	.537
	LVRG	-.091	.089	-.066	-1.019	.313
	MB	.464	.035	.882	13.436	.000
	ER	.016	.010	.099	1,525	.134

a. Dependent Variable: TP

From the data above, it is calculated that $Y = 1.358 + 0.350 - 0.078 - 0.091 + 0.464 + 0.016$

The description of the test results of each independent variable against the dependent variable (*Transfer Pricing /TP*) is as follows:

1. *The Effective Tax Rate (ETR)* variable has a coefficient value of 0.350 and a significance level of 0.460 . Because the significance value is greater than 0.05, it can be concluded that ETR does not significantly influence transfer pricing . This means that changes in the effective tax burden borne by the company do not significantly affect the company's tendency to conduct transfer pricing. In other words, the level of ETR does not affect transfer pricing practices in this study.
2. *Tunneling Incentive (TNC)* variable has a coefficient value of -0.078 and a significance level of 0.537. Because the significance value is greater than 0.05, it can be concluded that TNC does not significantly influence transfer pricing . This indicates that the level of controlling ownership (TNC) does not affect a company's tendency to engage in transfer pricing . In other words, tunneling motivation through majority share ownership is not significantly related to transfer pricing practices in the companies sampled in this study.
3. *Debt to Equity Ratio (DER)* variable has a coefficient value of -0.091 and a significance level of 0.313. Because the significance value is greater than 0.05, it can be concluded that DER does not significantly influence transfer pricing . This means that the company's leverage level , as reflected in the debt to equity ratio, does not significantly influence the company's tendency to conduct transfer pricing . Thus, the level of DER does not significantly influence transfer pricing practices .
4. The Net Profit Trend Index (ITRENDDBL) variable has a coefficient value of 0.464 and a significance level of 0.000. Because the significance value is less than 0.05, it can be concluded that ITRENDDBL has a significant effect on transfer pricing . This means that changes in net profit trends from year to year are significantly related to the company's tendency to conduct transfer pricing . In other words, companies with increasing or decreasing net profit trends can be confirmed to have a tendency to conduct transfer pricing .
5. *The Exchange Rate (ER)* variable has a coefficient value of 0.016 and a significance level of 0.134. Because the significance value is greater than 0.05, it can be concluded that ER does not significantly influence transfer pricing . This indicates that changes in the rupiah exchange rate against the US dollar do not significantly affect the tendency of companies to conduct transfer pricing . Thus, exchange rate fluctuations do not significantly influence the transfer pricing practices of the companies in this study.

Hypothesis Testing

T-test

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	1.358	18.810		.072	.943
	ETR	.350	.470	.051	.744	.460
	TNC	-.078	.126	-.042	-.622	.537
	LVRG	-.091	.089	-.066	-1.019	.313
	MB	.464	.035	.882	13,436	.000
	ER	.016	.010	.099	1,525	.134

a. Dependent Variable: TP

The following is a discussion of each hypothesis:

- a. The Effect of *Effective Tax Rate* on *Transfer Pricing* (H_1)
The t-test results show that the *Effective Tax Rate* (ETR) variable has a t-value of 0.744 and a significance value of 0.460, which is greater than 0.05. Thus, hypothesis H_1 is rejected, meaning that ETR has no significant effect on *Transfer Pricing* (TP). This indicates that the level of tax burden borne by a company does not affect the company's tendency to engage in *transfer pricing practices*.
H1: Effective Tax Rate does not affect Transfer Pricing
- b. The Effect of *Tunneling Incentives* on *Transfer Pricing* (H_2)
The t-test results show that the *Tunneling Incentive* (TNC) variable has a t-value of -0.622 and a significance value of 0.537, which is greater than 0.05. Thus, hypothesis H_2 is rejected, which means that TNC has no significant effect on *Transfer Pricing* (TP). This means that the size of a company's controlling ownership does not affect the company's tendency to engage in *transfer pricing practices*.
H2: Tunneling Incentive does not affect Transfer Pricing
- c. The Effect of *Debt to Equity* (DER/ *Leverage*) on *Transfer Pricing* (H_3)
The t-test results show that the *Debt to Equity Ratio* (DER) variable has a t-value of -0.066 and a significance value of 0.313, which is greater than 0.05. Thus, hypothesis H_3 is rejected, which means that DER has no significant effect on *Transfer Pricing* (TP). This indicates that the level of a company's capital structure does not have a significant influence on the company's tendency to engage in *transfer pricing practices*.
H3: Debt to Equity (DER/ Leverage) has no effect on Transfer Pricing
- d. The Effect of *Bonus Mechanism* (ITRENDBL) on *Transfer Pricing* (H_4)
The t-test results show that the *Net Profit Trend Index* (ITRENDBL) variable has a t-value of 13,436 and a significance value of 0.000, which is smaller than 0.05. Thus, hypothesis H_4 is accepted, which means that ITRENDBL has a significant effect on *Transfer Pricing* (TP). This means that the company's net profit growth trend is able to influence the company's tendency to carry out *transfer pricing practices*.
H4: Bonus Mechanism (ITRENDBL) has an effect on Transfer Pricing
- e. The Effect of *Exchange Rate* on *Transfer Pricing* (H_5)
The t-test results show that the *Exchange Rate* (ER) variable has a t-value of 1.525 and a significance value of 0.134, which is greater than 0.05. Thus, hypothesis H_5 is rejected, meaning that ER has no significant effect on *Transfer Pricing* (TP). This indicates that fluctuations in the rupiah exchange rate against the US dollar do not affect companies' tendency to engage in *transfer pricing practices*.
H5: Exchange Rate does not affect Transfer Pricing

F test

ANOVA ^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	782681.369	5	156536.274	39,110	.000 ^b
	Residual	184113.323	46	4002.464		
	Total	966794.692	51			

a. Dependent Variable: TP

b. Predictors: (Constant), ER, ETR, MB, LVRG, TNC

Based on the results of the ANOVA analysis, the calculated F value was 39.110 with a significance value of 0.000. This value is smaller than the significance of 0.05 (5%), namely $0.000 < 0.05$. Therefore, it can be concluded that: The variables *Effective Tax Rate* (ETR), *Tunneling Incentive* (TI), *Leverage* (LVRG), *Bonus Mechanism* (BONUS), and *Exchange Rate* (ER) have a significant effect on *Transfer Pricing*.

Coefficient of Determination Test (R2)

Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.900 ^a	.810	.789		63.26503

a. Predictors: (Constant), ER, ETR, MB, LVRG, TNC

Sumber : data yang diolah 2025

Based on the data processing results, the R Square value was obtained at 0.810. This means that 81.0% of the variation that occurs in *transfer pricing* can be explained by the independent variables in the model, namely the *Effective Tax Rate* (ETR), *Tunneling Incentive* (TNC), *Debt to Equity Ratio* (DER/ *Lavarage*), *Net Profit Trend Index* (ITRENDBL), and *Exchange Rate* (ER). While the remaining 19.0% is explained by other factors.

6. CONCLUSION

Based on the results of the analysis conducted on data from mining companies listed on the Indonesia Stock Exchange for the 2019–2023 period, it can be concluded that:

1. *The Effective Tax Rate (ETR)* has no significant effect on *Transfer Pricing (TP)*. This is evidenced by the significance value of 0.460, which is greater than 0.05. Thus, hypothesis H1 is rejected, meaning that ETR has no significant effect on TP.
2. *Tunneling Incentives (TNCs)* have no significant effect on *Transfer Pricing (TP)*. This is evidenced by the significance value of 0.537, which is greater than 0.05. Thus, hypothesis H2 is rejected, meaning that TNCs have no significant effect on *Transfer Pricing (TP)*.
3. *The Debt to Equity Ratio (DER)* does not significantly influence *Transfer Pricing (TP)*. This is evidenced by the significance value of 0.313, which is greater than 0.05. Therefore, hypothesis H3 is rejected, meaning that DER does not significantly influence *Transfer Pricing (TP)*.
4. The Net Profit Trend Index (ITRENDBL) has a significant effect on *Transfer Pricing (TP)*. This is evidenced by the significance value of 0.000, which is less than 0.05. Therefore, hypothesis H4 is accepted, meaning that ITRENDBL has a significant effect on TP.
5. *The Exchange Rate (ER)* has no significant effect on *Transfer Pricing (TP)*. This is evidenced by the significance value of 0.134, which is greater than 0.05. Therefore, hypothesis H5 is rejected, meaning that ER has no significant effect on TP.

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