

**EFFECTS OF EFFECTIVE TAX RATE, TUNNELING INCENTIVE,  
FOREIGN OWNERSHIP ON TRANSFER PRICING DECISIONS  
(Manufacturing Companies Listing in the Indonesia Stock Exchange  
Registered In the Period of 2014 - 2017)**

**By  
Tonny Sanjaya**

**ABSTRACT**

The objective of this study is to prove empirically the effect of the *effective tax rate*, the *tunneling incentive*, the *foreign ownership* on the *transfer pricing* of the manufacturing companies listed on the Indonesia Stock Exchange in the period of 2014 - 2017. The variables that researchers proved empirically the effects on the transfer pricing of the listed manufacturing companies on the IDX were the *effective tax rate*, the *tunneling incentive*, and the *foreign ownership*. There were some methods used in this research, namely binary logistic regression, *feasibility of regression models*, *feasibility of hosmer regression models* and *lemeshow's goodness of fit test*, and correlation test. The prediction results of the models used in this study using SPSS Ver 20 were that the effective tax rate had an effect on the *transfer pricing*, the *tunneling incentive* has an effect on the *transfer pricing*, and the *foreign ownership* had an effect on the *transfer pricing*.

**Keywords: Effective tax rate, Tunneling Incentive, Foreign ownership,  
Transfer Pricing**