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THE INFLUENCE OF BONUS MECHANISMS, TUNNELING INCENTIVES, EXCHANGE RATES ON TRANSFER PRICING WITH COMPANY SIZE AS MODERATION

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ABSTRACT

Abstract
The aim of this research is to determine the effect of the Bonus Mechanism, Tunneling Incentive, Exchange Rate on Transfer Pricing with Company Size as a moderation in manufacturing companies listed on the Indonesia Stock Exchange during the 2017-2021 period. This research is quantitative research. The population of this research is manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2021 period. The total population was 193 companies. Using the purposive sampling method, 10 samples of companies were obtained that met the criteria with a total of 50 observation data. This research uses panel data regression data analysis techniques with the help of the eviews 10 program. The research results show that the Bonus Mechanism and Tunneling Incentive have a positive effect on Transfer Pricing. Exchange Rate does not significantly influence Transfer Pricing, Company Size significantly moderates Tunneling Incentive and Company Size does not significantly influence the influence of the Bonus Mechanism and Exchange Rate on Transfer Pricing.

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INTRODUCTION

The development of the world of economics and business is one of the consequences of globalization. Market share is not only growing nationally but also expanding to international markets. This encourages companies to open branches and subsidiaries in various countries. Moreover, globalization also supports developments in other fields. Such as developments in technology, transportation, communication and information which have a big impact on business people. This has resulted in increasing investment and international scale transactions. Multinational companies will be faced with the main problems related to foreign investment, one of which is Transfer Pricing. Hidayati, Sanulika, and Sylvatica (2021).

According to Ana Tri Setyaningrum (2020) Transfer Pricing between countries is often intended as a transfer of income from a company in a country with a high tax rate to another company in a country with a low tax rate. This is an effort to reduce the company's tax burden. Differences in tax rates between countries cause companies to choose to reduce taxes by means of Transfer Pricing. According to Ilyas and Suhartono in Rosa, Andini, and Raharjo (2017). Transfer pricing is usually done by increasing the buying price and reducing the selling price within the company and transferring profits to companies in countries with low tax rates. The higher the tax rate in a country, the greater the possibility of companies carrying out transfer pricing activities. Refgia (2017).

A factor that can influence a company's decision in determining whether or not to carry out Transfer Pricing practices is the bonus mechanism. The basic mechanism for giving bonuses is based on the amount of profit earned, which makes sense if the board of directors tries to properly regulate profits to be maximized in order to get bonuses, even though it has to be a little manipulative by utilizing Transfer Pricing, Hartati, Desmiyawati, & Julita (2015). The results of research by Melmusi (2016) concluded that the bonus mechanism had a significant positive effect on Transfer Pricing, but this contradicted the research results found by Saraswati & Sujana (2017) and Ayshinta et al. (2019) who found that the bonus mechanism had no effect on Transfer Pricing. .

Tunneling Incentive, is an activity of transferring assets, distributing profits from the granting of special rights which are given directly to majority shareholders without paying attention to the rights of minority shareholders. Tunneling Incentive is an agency problem that occurs between majority shareholders and minority shareholders because the majority shareholder can control management. This results in the majority shareholder being able to make decisions that benefit himself, without considering the other interests of the minority shareholders. The thing that causes this agency problem is weak protection of the rights of minority shareholders, encouraging majority shareholders to carry out tunneling actions that are detrimental to minority shareholders, Saraswati and Sujana (2017).

Exchange rates can also influence transfer pricing practices. Multinational companies have large inter-country transactions. The company's cash flows denominated in several currencies relative to the dollar will vary over time. These different exchange rates will later affect the company's overall profits. Therefore, changes in exchange rates can be utilized by multinational companies to increase company profitability through transfer pricing activities. Profitability is very important for investors and is used as an assessment indicator in making investment decisions in companies. Mulyani, Prihartini and Sudirno (2020).

According to research conducted by R. Aisy Prananda and Triyanto (2020), the bonus mechanism has no effect on indications for transfer pricing. Meanwhile, according to Darma (2020), the Exchange Rate influences the indication for transfer pricing.

Company size is a value that shows how big or small a company is. To find out the size of the company, you can look at the total assets of the company. Companies that have large total assets prove that the company has good prospects in the long term. The greater the number of assets, the greater the size of the company.

In research, Wijaya et al (2011) explained that: "Company size is also one of the factors that drives transfer pricing. Company size is a value that shows the size of the company. The greater the number of company assets, the greater the size of the company."

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THEORY AND HYPOTHESIS DEVELOPMENT

Agency Theory

According to Jensen and Meckling (1976), agency theory explains the relationship between company management (agents) and shareholders (principals). In an agency relationship, there is a contract between the shareholder and the manager to perform a service on behalf of the shareholder and gives the manager the authority to make the best decisions for the shareholder. This relationship can cause an imbalance in the information held by managers and shareholders, where managers have more information according to Ana Tri Setyaningrum (2020).

If both parties have the same goal of maximizing company value, it is believed that the agent will act in a way that is in accordance with the interests of the principal. As the party receiving authorization, the agent tries to maximize the contractual reward he receives and this is very dependent on the level of effort he makes. In the opinion of Vinola Herawaty and Anne (2016), on the other hand, principals try to maximize the return that comes from managing the resources that have been handed over to the agent and this effort depends on the service fees paid to the agent.

Agent activities that cannot be supervised by the principal lead to increased conflict between the two parties. Agents have various important information about capabilities, the environment and everything about the company. However, the principal as a party who is not directly involved in decision making has an unequal impact on the information held by the principal and the information held by the agent. This condition is called information asymmetry. Information asymmetry can be an opportunity for agents to keep information secret from principals so that agents can achieve their own benefits. Then, the agent conveys a number of information that does not reflect the actual conditions to the principal, one of which is information related to the agent's performance achievements in the opinion of Berliana (2021).

Positive Accounting Theory

Positive accounting theory is to explain and predict accounting practices. With positive accounting theory, policy makers can predict the economic consequences of various accounting policies and practices. Positive accounting theory attempts to describe what and how accounting practices are carried out based on experience that can be tested empirically. Positive accounting theory also explains a process, which uses accounting abilities, understanding and knowledge as well as the use of accounting policies that are most appropriate to deal with certain conditions in the future. Positive accounting theory can provide guidance for accounting policy makers in determining the consequences of these policies.

Positive accounting theory according to Watts & Zimmermen, namely accounting theory has the aim of explaining (to explain) and to predict (to predict) the accounting practices carried out. The purpose of explaining here is to prepare the reasons for the accounting practices carried out so that they can be observed, then the purpose of predicting here is that accounting theory can predict phenomena that were previously unobservable (R'Aisy Prananda and Triyanto: 2020) Positive accounting theory explains why accounting policies are a problem for companies and parties interested in financial reports and to predict what kind of accounting policies companies should choose in certain situations.

Hypothesis of the Influence of Bonus Mechanisms on Transfer Pricing

According to Hartati, Desmiyawati & Julita (2015), the basic mechanism for giving bonuses is based on the amount of profit earned, which makes sense if the board of directors tries to regulate profits properly so that they can be maximized in order to get bonuses, even though they have to be manipulated a little by utilizing Transfer Pricing.

Apart from that, Saraswati and Sujana2 (2017) in their research also prove that company owners consider the company's overall profit achievement to assess the work performance of their directors so that the directors will try as much as possible to increase the company's overall profit by implementing Transfer Pricing practices.

H1: The bonus mechanism has a positive effect on transfer pricing

The Effect of Tunneling Incentives on Transfer Pricing

According to Saraswati and Sujana2 (2017) Tunneling Incentive, is an activity of transferring assets, sharing profits and granting special rights that are given directly to majority shareholders without paying attention to the rights of minority shareholders. Tunneling Incentive is an agency problem that occurs between majority shareholders and minority shareholders because the majority shareholder can control management.

According to (Hidayati, Sanulika and Syvatica 2021), the term tunneling was originally used to describe the takeover of minority shareholders in the Czech Republic, such as transferring assets through an underground tunnel. In this ownership structure, shareholders are generally unwilling to carry out monitoring because they have to bear all monitoring costs and only enjoy profits in proportion to their share ownership. If all shareholders behave the same then there will be no supervision of management

H2: Tunneling Incentive has an effect on Transfer Pricing

The Effect of the Exchange Rate on Transfer Pricing

In their research, Cahyadi & Noviari (2018) stated that the trade balance in a country that carries out export-import activities will be affected. Exchange rates between countries can affect overall company profits and open up opportunities for companies to increase profits through transfer pricing.

Another thing that can influence a company's decision to carry out Transfer Pricing is the difference in exchange rates between countries. Exchange Rates are closely related to international trade because multinational companies' cash flows are dominated in several currencies where the currency value is relative to the dollar value which will vary with time differences (Rahayu, Masitoh and Wijayanti 2020)

H3: Exchange Rate influences Transfer Pricing

The Effect of Bonus Mechanisms on Transfer Pricing with Company Size as a Moderation

According to Thesa Refgia (2017). One way for directors to get bonuses is by maximizing profits. Bonuses are additional compensation or awards given to employees for successfully achieving the goals targeted by the company. The profit-based bonus mechanism is the method most often used by companies to reward directors or managers. The directors' bonus scheme can also be interpreted as providing rewards other than the basic salary to company directors or the results of work carried out by looking at the performance of the directors themselves. So, because based on the level of profit, directors or managers can manipulate these profits to maximize bonus receipts, Irpan (2010). Therefore, the practice of Transfer Pricing was chosen by the board of directors to maximize company profits, possibly increasing the company's overall profits by carrying out Transfer Pricing. The company owner will consider the company's overall profit achievement to assess the performance of its directors so that the directors will try as much as possible to increase the company's overall profit by carrying out transfer pricing.

H4: The influence of the bonus mechanism on transfer pricing with company size as moderation

The Effect of Tunneling Incentive on Transfer Pricing with Company Size as a moderator

One form of tunneling is the role of controlling shareholders in transferring company resources through special relationship transactions. These transactions include sales contracts such as Transfer Pricing. By tunneling by controlling shareholders, dividend payments are not made so that minority shareholders benefit less. Managers prioritize their interests over the interests of shareholders. In this ownership structure, shareholders are generally unwilling to carry out monitoring because they have to bear all monitoring costs and only enjoy profits in proportion to their share ownership. One of the aims is to tunnel minority shareholders which results in losses for them and that the loss for the tunneled company is a decline in financial performance.

H5: The effect of Tunneling Incentive on Transfer Pricing with Company Size as moderation

The influence of the Exchange Rate on Transfer Pricing with Company Size as moderation

In developing a business, business people have a motive to carry out Transfer Pricing. Because multinational companies experience differences in exchange rates, companies experience uncertain payments. This is because multinational companies request that payments be made in one currency or another because the Exchange Rate continues to fluctuate resulting in the amount of cash needed for the payment becoming uncertain.

Exchange Rate is the exchange rate of one country's currency with another country's currency that can be used as a means of payment now or in the future. Exchange Rate can affect the trade balance in a country due to the difference between the value of exports and imports obtained by a country according to Cahyadi & Noviari (2018)

In the opinion of R'Aisy Prananda and Triyanto (2020), continuously fluctuating exchange rates will affect the prices of products and services produced by the company, so transfer pricing is chosen by management so that the amount of available cash can be used to carry out transactions.

H6: Effect of Exchange Rate on Transfer Pricing with Company Size as moderation.

RESEARCH METHODS

Research design

The research object was carried out on manufacturing companies that were listed on the Indonesia Stock Exchange for the 2017-2021 period. By using purposive sampling, only *companies that meet the specified criteria. The purposive sampling process carried out in this research is as follows:*

Tabel 1 Example

No.	*Purposive Sampling*	*Amount*
1	*Manufacturing Companies listed on the Indonesia Stock Exchange (BEI) for the 2017-2021 period*	*193*
2	*Incomplete companies issued financial reports for the 2017-2021 period*	*(39)*
3	*Companies that do not use the Rupiah currency (IDR)*	*(28)*
4	*Companies that do not have complete information regarding the variables in the research*	*(55)*
5	*Perusahaan yang mengalami kerugian periode 2017-2021*	*(61)*
6	*Final Sample Number*	*10*
7	*Year of Observation*	*5*
8	*Total Observation Data*	*50*

Dependent Variable Transfer Pricing
Transfer Pricing is a policy regulated by industry to determine the transfer price for a transaction, whether the price of goods, services, intangible assets, or financial transactions that constitute the company's activities. According to Suyana (2012) Transfer Pricing is a transaction of goods and services between several divisions in a business group at an unreasonable price, either by increasing (mark up) or by lowering (mark down) mostly carried out by multinational companies.

$$\boxed{RPT = \frac{\text{Total Piutang Pihak Berelasi}}{\text{Total Piutang}} \text{ X } 100\%}$$

Independent Variable Bonus Mechanism
The bonus mechanism is additional compensation or rewards given to employees for successfully achieving the goals targeted by the company. The profit-based bonus mechanism is the method most often used by companies to reward directors or managers. According to Irpan (2011), the bonus mechanism is a method of providing compensation outside of salary that is based on the results and work performance of the directors concerned.

$$\boxed{ITRENDLB = \frac{\textit{Laba Bersih Tahun t}}{\textit{Laba Bersih Tahun t -1}}}$$

Tunneling Incentives
Tunneling Incentive is a company's assets from a subsidiary in one country to a subsidiary or parent company in another country, or from a company to a controlling shareholder to enrich the controlling shareholder. According to (Hidayati, Sanulika and Sylvatica 2021). Tunneling is the sale of company assets to affiliated companies but at a price lower than fair value. Tunneling is carried out between shareholders in affiliated companies with the aim of making it more

profitable for controlling shareholders, because non-controlling shareholders also bear the burden that occurs on these assets.

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

Exchange Rates

Exchange Rate or exchange rate is the currency of a country against currency originating from another country. Exchange rates can be expressed or assessed in currencies originating from other countries. Exchange rates have an important role in the foreign exchange market or commonly called forex. In the foreign exchange market there will be a process of exchanging currencies at an exchange rate that has previously been agreed upon by the various parties concerned.

According to (Rahayu, Masitoh and Wijayanti 2020). Exchange rates are closely related to international trade because multinational companies' cash flows are dominated in several currencies, where the currency value relative to the dollar value will vary with time differences.

$$\textit{Exchange Rate} = \frac{\textit{Laba Selisih Kurs}}{\textit{Laba Rugi Sebelum Pajak}}$$

Moderating Variable Company Size

Company size is the scale of the company as seen from the total assets of the company at the end of the year. Total sales can also be used to measure the size of the company. According to (Refgia, 2017) Company size can determine whether or not transfer pricing practices in relatively larger companies will see their performance by the public so that the company's directors or managers will be more careful and transparent in reporting their financial condition. Meanwhile, smaller companies are considered to have a greater tendency to carry out transfer pricing to show satisfactory performance.

$$\textit{Size} = \textit{Logaritma Total Aset}$$

Data analysis method

The data analysis model used for this research is descriptive statistics and multiple linear regression analysis which will then be processed using eviews with a quantitative approach. Multiple regression analysis is used to test the influence between the Independent Variable and the Dependent Variable. The multiple linear regression equation used in this research is:

Research Model

$Y = \beta 0 + \beta 1X1it + \beta 2X2it + \beta 3Xit + \epsilon it$

Y = Transfer Pricing
β0 = Constant
β1, β2, β3 = Independent Variable Regression Coefficients
XI = Bonus Mechanism
X2 = Tunneling Incentive
X3 = Exchange Rate
i = Company
t = Time
ϵ = Error

RESEARCH RESULTS AND DISCUSSION

Tabel 2
Statistik deskriptif

Variabel	Minimum	Maksimum	Mean	Std.Dev
RPT	0.008000	2.274000	0.4713000	0.435419
~~Variabel~~	~~Minimum~~	~~Maksimum~~	~~Mean~~	~~Std.Dev~~
ITRENDLB	0.141000	1.988000	1.114180	0.296998
TNL	0.102000	0.821000	0.483580	0.213691
ER	-0.088000	0.309000	0.008880	0.052605
Observation	50	50	50	50

The variable value shows the minimum value, namely a ratio of 0.008000, indicating that there are still companies sampled in this research that have an RPT ratio of 0.00800. The maximum value shows the RPT ratio at a value of 2.274000. The average RPT ratio value of the entire sample is 0.4713000 with a standard deviation value of 0.435419, a standard deviation value that is smaller than the average value which indicates homogeneous data. The minimum value of the Bonus Mechanism variable is at a ratio of 0.14100. The maximum value shows the ITRENDLB ratio at a value of 1.988000. The average ITRENDLB ratio value of the entire sample is 1.114180 with a standard deviation value of 0.296998, a standard deviation value that is smaller than the average value which indicates homogeneous data.
The minimum value for the Tunneling Incentive variable is a ratio of 0.102000. The maximum value shows the TNL ratio at a value of 0.821000. The average TNL ratio value of the entire sample is 0.483580 with a standard deviation value of 0.213691, a standard deviation value that is smaller than the average value which indicates homogeneous data. The minimum value of the Exchange Rate variable is the ratio -0.088000. The maximum value shows the TNL ratio at a value of 0.309000. The average TNL ratio value of the entire sample is 0.008880 with a standard deviation value of 0.052605, a standard deviation value that is greater than the average value which indicates heterogeneous data.

Panel Data Model Analysis

This research uses time series and cross-sectional panel data so it is necessary to test the most appropriate panel data model for this research. There are three models that will be tested, namely (Common Effect Model, Fixed Effect Model and Random Effect Model). Three models will be tested using 3 tests, namely: Chow test, Hausman test and Lagrange replacement test.

Chow Test

The Chow test is carried out to determine the most appropriate model between the Common effect Model, Fixed effect Model and Random effect Model). The model will later be used to test panel data. The results of the chow test are as follows:

Tabel 3
Hasil Uji Chow

Uji Efek	Statistik	Df	Prob
Penampang F	6.213201	(9,37)	0.0000
Penampang Chi-Saquare	46.040410	9	0.0000

The Chow test results in table 3 show that the cross-sectional probability of Chi-square is 0.0000 below the value of 0.05, meaning that Ho is rejected and Ha is accepted. So it can be concluded that based on the Chow test results, the most appropriate is the **FEM** model.

Hausman test

The Hausman test is carried out for the most appropriate model between the Fixed effect Model or Random effect Model which will later be carried out to test panel data.

Tabel 4
Hausman Test Results

Ringkasan Tes	Chi-Sq-Statistik	Chi-Sq. Df	Prob
Penampang acak	8.906969	3	0.0306

The results from table 4 above show a random cross-sectional probability of 0.0306, meaning that Ho is rejected and Ha is accepted. It can be concluded that based on the Hausman test results the appropriate model is the FEM model. The results of the Chow test and Hausman test that have been carried out show that the most appropriate model used in this research is FEM, so there is no need to carry out a Lagrange multiplier test to determine the most appropriate model between FEM or REM because it has been proven that FEM is the most appropriate model.

Multiple Linear Regression Analysis

The use of multiple linear regression to measure how much of the relationship between the independent variable and the dependent variable can differentiate the two variables in the research. A quantitative approach was used in this research.

Tabel 5
Results of the t-statistical test

Variabel	Koefisien	Std. Kesalahan Independen	t-Statistik	Prob
ITRENDLB	-0.438279	0.383682	-1.142297	0.2605
TNL	-0.197954	0.066138	-2.993041	0.0044
ER	-0.416848	0.414302	-1.006146	0.3207
Moderasi				
ITRENDLB*SIZE	0.310625	0.226926	1.368834	0.1777
TNL*SIZE	0.084814	0.023476	3.612798	0.0009
ER*SIZE	-0.300191	0.382325	-0785172	0.4374

$$\boxed{RPT = 1.895299 + 0.493639ITERNDLB + 4.077033TNL + -0.273582ER + \alpha}$$

From the equation above, the constant 1.895299 can be explained, which means that if the Bonus Mechanism variable (ITRNDLB), Exchange Rate (ER) is equal to 0 (zero), then the Transfer Pricing (RPT) is 1.895299.

The Influence of Bonus Mechanisms on Transfer Pricing

The research results for the bonus mechanism variable have a t-statistic value of 3.217244 which is greater than the t table of 1.67793 and a significance value of 0.0027 which is smaller than a (0.05)

This shows that the Bonus Mechanism has a positive effect on Transfer Pricing. Therefore, H1: The Bonus Mechanism has an effect on Transfer Pricing **received**.

The bonus mechanism shows a positive and significant influence on Transfer Pricing, which means that if bonuses increase, the company's Transfer Pricing behavior will also increase. As stated by Purwanti and Refgia (2017). Tantuem/bonus is an award given by the GMS to members of the Board of Directors every year if the company makes a profit. This bonus compensation system can manipulate the company's financial reports in order to obtain a maximum bonus mechanism.

The results of this research are different from previous research conducted by (Prananda and Triyanto 2020, Refgia 2017; Santoso and Suzan 2018) it can be concluded that the bonus mechanism has no effect on Transfer Pricing, this is because the compensation variable does not always act as a motivator for the board of directors to make Transfer Pricing decisions. The amount of compensation is not the main motivation for the board of directors to make transfer pricing decisions.

The Effect of Tunneling Incentives on Transfer Pricing

The research results for the Tunnelin Incentive variable have a t-statistic value of 2.076177 which is greater than the t table of 1.67793 and a significance value of 0.0102 which is smaller than a (0.05).

This shows that Tunneling Incentive has a positive effect on Transfer Pricing. Therefore, H2 Tunneling Incentive has an effect on **accepted** Transfer Pricing.

The results of the research that has been carried out have results that match previous research that has been carried out by (Refgia 2017; Santoso and Suzan 2018) it can be concluded that Tunneling Incentive has a significant effect on Transfer Pricing, this is because entities whose ownership is centralized in one party tend to carry out tunneling. through Transfer Pricing transactions. If share owners have large ownership in a company, then automatically they also want large returns or dividends. For this reason, when the dividends distributed by the company must be shared with minority shareholders, the majority shareholder prefers Transfer Pricing by transferring the company's assets for their own benefit rather than distributing the dividends to minority shareholder owners. Therefore, the greater the share ownership, the more it triggers transfer pricing.

However, this research produces different conclusions from research (Riyadi and Kresnawati 2021), this is because a large amount of share ownership does not necessarily mean that shareholders are in a strong position to control the decision to tunnel in Transfer Pricing practices. This activity is due to an agreement within the company, whether operations or investments, which must be discussed with other shareholders, especially the majority shareholder.

The Effect of the Exchange Rate on Transfer Pricing

The research results for the Exchange Rate variable have a t-statistic value of -0.3590064 which is smaller than the t table of 1.67793 and a significance value of 0.7216 which is greater than a (0.05).

This shows that the Exchange Rate has no negative effect on Transfer Pricing. Therefore, H3: Exchange Rate has an effect on Transfer Pricing is **rejected.**

These results indicate that whether or not the exchange rate increases against the rupiah does not influence the company's decision in determining a Transfer Pricing policy or not. Changes in the Exchange Rate are not the main focus in management's tendency to utilize Transfer Pricing transactions, because in the financial reports of the sample companies, there are many losses in profits or losses from exchange rate differences. With these losses, the company views that changes in the Exchange Rate will not provide benefits for the company, one of which is due to the weakening of the domestic currency. No matter how big or small, the Exchange Rate does not influence the company's consideration of whether the company will choose to make a Transfer Pricing decision or choose not to make a Transfer Pricing decision within the company. The results of this research support research conducted by Ardiyanti (2017), Marfiah & Azizah (2014) which suggests that it is possible that the Exchange Rate has no effect on Transfer Pricing. However, the results of this research are different from Mulyani, Prihartini and Sudirno (2020) who stated that the Exchange Rate has an influence in making Transfer Pricing decisions, meaning that if the profit due to the exchange rate difference obtained by the company is higher, the occurrence of Transfer Pricing will be higher. On the other hand, if the company's profit due to exchange rate differences is lower, the possibility of transfer pricing will be lower.

The Influence of Company Size in moderating the influence of the Bonus Mechanism on Transfer Pricing.

Based on the output results of Eviews 9.0, it shows that the prob is 0.3207 > 0.05, which means that the interaction between the Dependent Variable has no significant effect on the Moderating Variable.

The conclusion from the results above is that the moderating variable Company Size (SIZE) cannot moderate or strengthen the relationship between the independent variables. Bonus Mechanism (ITRENDLB) on the dependent variable Transfer Pricing (RPT).

The influence of company size in moderating the influence of tunneling incentives on transfer pricing

Based on the output results of Eviews 9.0, it shows that the prob is 0.0044 > 0.05, which means that the interaction between the Dependent Variable has a significant effect on the Moderating Variable.
The conclusion from the results above is that the moderating variable Company Size (SIZE) can moderate or strengthen the relationship between the independent variables. Tunneling Incentive on the dependent variable Transfer Pricing (RPT).

The Influence of Company Size in moderating the influence of the Exchange Rate on Transfer Pricing
Based on the output results of Eviews 9.0, it shows that the prob is 0.3207 > 0.05, which means that the interaction between the Dependent Variable has no significant effect on the Moderating Variable.
The conclusion from the results above is that the moderating variable Company Size (SIZE) can moderate or strengthen the relationship between the independent variables. Exchange Rate on the dependent variable Transfer Pricing (RPT).

CONCLUSION

Based on the results of testing and discussion of the Bonus Mechanism, Tunneling Incentive, Ecxchange Rate on Transfer Pricing in Manufacturing Companies for the 2017-2021 period, it can be concluded as follows:

1. The research results for the bonus mechanism variable have a t-statistic of 3.217244 which is greater than the t table of 1.67793 and a significance value of 0.0027 which is smaller than a (0.05). This shows that the Bonus Mechanism has a positive effect on Transfer Pricing so it is concluded that H1 is accepted. This bonus compensation system can enable actors, especially company managers, to obtain maximum bonus mechanisms.
2. The research results for the Tunneling Incentive variable have a t-statistic value of 2.076177 which is greater than the t table of 1.67793 and a significance value of 0.0102 which is smaller than a (0.05). This shows that Tunneling Incentive has a positive effect on Transfer Pricing so it is concluded that H2 is accepted. Therefore, the greater the share ownership, the more it triggers transfer pricing.
3. The research results for the Exchange Rate variable have a t-statistic value of -0.359064 which is smaller than the t table of 1.67793 and a significance value of 0.7216 which is greater than a (0.05). This shows that the Exchange Rate has no negative effect on Transfer Pricing so it is concluded that H3 is rejected. The size of the Exchange Rate does not influence the company's consideration of whether the company will choose to make a Transfer Pricing decision or choose not to make a Transfer Pricing decision within the company.
4. The research results show that the probability is 0.3207 > 0.05, which means that the interaction between the dependent variables has no significant effect on the moderating variable. The interaction results show that the prob is 0.4374 > 0.05, which means that the interaction between the dependent variable has no significant effect on the moderating variable. The conclusion from the results above is that the moderating variable Company Size (SIZE) cannot moderate or strengthen the relationship between the Bonus Mechanism variable (ITRENDLB) and the dependent variable Transfer Pricing (RPT).
5. The research results show that the prob is 0.0044 <0.05, which means that the interaction between the dependent variables has a significant effect on the moderating variable. The conclusion from the results above is that the moderating variable Company Size (SIZE) can moderate or strengthen the relationship between the independent variable Tunneling Incentive (TNL) and the dependent variable Transfer Pricing (RPT).
6. The research results show that the prob is 0.3207 > 0.05, which means that the interaction between the dependent variables has no significant effect on the moderating variable. The interaction results show that the prob is 0.4374 > 0.05, which means that the interaction between the dependent variable has no significant effect on the moderating

variable. The conclusion from the results above is that the moderating variable Company Size (SIZE) cannot moderate or strengthen the relationship between the independent variable Exchange Rate (ER) and the dependent variable Transfer Pricing (RPT).

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