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TAX MINIMIZATION AS A MODERATION OF THE RELATIONSHIP BETWEEN TUNNELING INCENTIVE, THIN CAPITALIZATION AND INTANGIBLE ASSET ON TRANSFER PRICING

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ABSTRACT

Transfer Pricing decisions in Indonesia. The population of this study are manufacturing companies listed on the Indonesia Stock Exchange (IDX) from 2017 to 2021. The sample determination in this study used a purposive sampling method. The number of samples used were 10 companies with 30 research units. The source of the data in this study was taken from the company's published annual report. Tests in this study using E-Views 11 software. The results of the study based on panel data regression analysis test showed that Tunneling Incentives and Thin Capitalization had a positive effect on Transfer Pricing, while Intangible Assets had a negative effect on Transfer Pricing. Tax Minimization is able to moderate the relationship between Tunneling Incentives, Thin Capitalization, and Intangible Assets to Transfer Pricing

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INTRODUCTION

According to Sari & Sugiharto (2014:18) transfer pricing is a company policy in determining the prices of transactions between division members in a multinational company which makes it easy for companies to adjust internal prices for goods, services and intangible assets that are traded so as not to create high prices. which changes. The aim of multinational companies carrying out this practice is to reduce corporate tax obligations by shifting income earned towards countries with low rates to minimize the total tax burden of the group of companies. With this practice, companies will report that their company has experienced a loss so they are not obliged to pay taxes.

Minimizing the tax burden is a strong motivation for multinational companies to make transfer pricing decisions. Apart from that, non-tax factors such as Tunneling Incentive, Thin Capitalization, Intangible Assets, and Tax Minimization also influence a company's decision to carry out Transfer Pricing.

Transfer Pricing is a company policy in determining the prices of transactions between division members in a multinational company which makes it easy for the company to adjust internal prices for goods, services and intangible assets being bought and sold so that prices do not fluctuate (Ayu Nurmala Sari & Siti Puryandani, 2018).

Tunneling Incentive is the transfer of assets and profits out of the company for the benefit of the majority shareholder (Johnson, 2000), Thin Capitalization internally or here is meant related to the relationship between the parent and subsidiary companies, the company can fund both operations and investments through debt between the parent company and subsidiaries, companies can finance subsidiaries using interest-bearing debt, and obtain tax benefits in the form of interest expenses (Taylor & Richardson, 2013). Transfer pricing is also carried out on intangible assets. Many multinational companies transfer intangible assets such as patents, trademarks, royalties and copyrights.

Tax minimization is a company strategy to minimize the company's tax burden. Transfer Pricing is carried out with the aim of minimizing the tax burden. The factors that influence the decision to carry out Transfer Pricing are strengthened or motivated by the Tax Minimization factor.

Based on the description above, researchers are interested in conducting research with the title **"Tax Minimization as a moderator of the relationship between Tunneling Incentive, Thin Capitalization and Intangible Assets on Transfer Pricing in Manufacturing Companies Listed on the BEI in 2017-2021".**

THEORY AND DEVELOPMENT HYPOTHESIS

AGENCY THEORY

Agency theory is "a contract under one or more involving agents to carry out some service for them by delegating decision-making authority to the agent". Factors in agency theory occur due to unequal desires between parties but they work together with each other in different divisions of tasks. This conflict is not beneficial for the principal because the owner does not take part in managing the company so he does not get adequate information. In addition, the management of the party entrusted with managing the company has an incentive to carry out transfer pricing as a goal of reducing company tax expenditure. The existence of agency theory in this research also explains conflicts between shareholders which give rise to opportunities to exploit the rights of minority shareholders through tunneling incentives (Claessens, Djankov, & Lang, 2000). The majority shareholders transfer income from the company to themselves, so the transaction is carried out using transfer pricing.

The Effect of Tunneling Incentives on Transfer Pricing

Based on research by Hartati (2015), it was found that tunneling incentives influence transfer pricing decisions, related party transactions are more commonly used for the purpose of transferring wealth to majority shareholders rather than paying dividends, this is because the company must distribute dividends to the parent company and other minority shareholders.

H 1 : Tunneling Incentives is thought to have a positive effect on Transfer Pricing

The Effect of Thin Capitalization on Transfer Pricing

According to Khomsatun & Martini (2015), multinational companies finance their companies using debt from share capital. Thin Capitalization is carried out by providing loans to branch companies rather than using additional capital, especially if the branch company is in an environment where high tax rates apply. Large interest expenses can reduce taxable income. Companies can practice transfer pricing by receiving loans from company groups located in countries with high tax rates.

H 2 : Thin Capitalization has a positive effect on Transfer Pricing

The Influence of Intangible Assets on Transfer Pricing

According to research by Grant Richardson, Grantley Taylor and Roman Lanis (2013) with the research title Determinants of Transfer Pricing Aggressiveness: Empirical Evidence from Australian Firms. The results of this research use independent variables, namely company size, profitability, leverage, intangible assets, and multinationality. However, according to research conducted by Hasan and Elia (2018), intangible assets or Intangible Assets have no effect on Transfer Pricing. From the description above, it can be seen that Intangible Assets have a positive effect on Transfer Pricing. Based on the description above, the hypothesis of this research is:

H 3 : Intangible Assets have a positive effect on Transfer Pricing

Tax Minimization as Moderation

The high debt or equity ratio of the company will allow managers to choose a strategy to increase company profits, one of which is using transfer pricing. The existence of debt in the company will be used by managers to reduce the company's tax burden through tax minimization by increasing interest costs so that company profits can increase. Then, to increase the prosperity of minority shareholders, they will encourage agents to transfer intangible assets for personal interests and this is motivated by tax minimization to reduce the taxes that will be a

burden on the company. Based on the description above, the hypothesis of this research is as follows:

H 4 : Tax minimization is thought to significantly moderate the effect of Tunneling incentives on transfer pricing.

H 5 : Tax minimization is thought to significantly moderate the influence of the bonus mechanism on transfer pricing.

H 6 : Intangible Assets have a positive effect on Transfer Pricing

H 7 : Intangible Assets have a positive effect on Transfer Pricing

METHOD

The population in this study are manufacturing companies that have special relationships that are listed on the Indonesia Stock Exchange in 2017-2019. A sample is a portion or portion of a particular population that is of interest. The sample used is the consumer goods industry subsector and various industry subsectors listed on the IDX in 2017-2019. Sampling was carried out using the purposive sampling method.

Table 1.1
Sample Companies

NO	COMPANY CODE	COMPANY NAME
1	INDF	Indofood Sukses Makmur Tbk
2	BREAD	Nippon Indosiar Corpindo Tbk
3	DVLA	Darya-Varia Laboratoria Tbl
4	BRAND	Merck Tbk
5	TCID	Mandom Indonesia Tbk
6	UNVR	Unilever Indonesia Tbk
7	ASII	Astra International Tbk
8	BRAM	Indo Kordsa Tbk
9	RICY	Ricky Putra Globalindo Tbk
10	IKBI	Sumi Indo Cable Tbk

Transfer pricing (Y)

The dependent variable in this research is the company's decision to carry out transfer pricing. In research by Yuniasih et al., (2013), transfer pricing is calculated using a dichotomy approach, namely by looking at the existence of sales to parties who have a special relationship. Therefore, the transfer pricing variable is measured by looking at the ratio of receivables to related parties.

Tunneling incentive (X1)

Conceptually, tunneling incentive is proxied by the percentage of share ownership above 20% as a controlling shareholder by a foreign company (Yuniasih et al., 2013). Mutamimah

$$TPC = \frac{\text{Piutang Pihak Berelasi}}{\text{Total Piutang}} \times 100\%$$

(2009) explains that the criteria for a concentrated ownership structure are based on the Capital Market Law No.IX.H. 1, which explains that controlling shareholders are parties who own shares or equity securities of 20% or more. PSAK No. 15 also states the significant influence held by shareholders with a percentage of 20% or more. Tunneling incentive is the behavior of management or majority shareholders who transfer company wealth for their own interests, but the costs are borne by minority shareholders (Zhang, 2004 in Mutamimah, 2009). Tunneling

incentive is proxied by the percentage of share ownership above 20% as a controlling shareholder by a foreign company (PSAK No. 15):

$$TUN = \frac{\text{Jumlah Kepemilikan Pihak Asing}}{\text{Total Saham Beredar}} \times 100\%$$

Thin Capitalization (X_2)

The measurement of Thin Capitalization in this research uses the Debt to Equity Ratio (DER) (Ernawati Candrawati, & Ratnawardhani, 2019). This ratio is used because it can provide an overview of the company's use of debt as funding. If a company has a high DER value, the company has an indication of thin capitalization .

$$DER = \frac{the\ average\ of\ debt}{the\ everage\ of\ equity}$$

Intangible assets (X3)

Analysis of transfer pricing and corporate tax professionals must consider that some of the value may be related to assets that were not owned at the date of the particular analysis. Regulation Section 482 states that intangible property is an asset consisting of (1) patents, inventions, formulas, designs, prescription, or knowledge; (2) copyright, literature, compositions, both music and art; (3) brands, trademarks, brand names; (4) franchise, license, or contract; (5) methods, programs, systems, procedures, advertising, surveys, studies, estimates, estimates, customer lists, or technical data; (6) something that has similar characteristics (Rotkowski, 2015). Kusuma and Wijaya's research (2017) describes the intangible asset ratio by formulating it as follows:

Tax minimization (Z)

It is a strategy to minimize the tax burden owed through cost transfer actions and ultimately transfer income to countries with the lowest tax rates (Hartati, 2015). Tax minimization is proxied by the Effective Tax Rate (ETR) (Pramana, 2014):

RESULTS STUDY AND DISCUSSION

$$INT = \log(intangible\ asset)$$

$$TMN = \frac{Tax\ Expense}{\text{Laba Kena Pajak}} \times 100\%$$

Descriptive Statistical Analysis

According to Ghozali (2016:19) descriptive statistics provide an overview or description of data seen from the minimum, maximum, average (mean) value and standard deviation. The data examined in descriptive statistical analysis are Transfer Pricing, Tunneling Incentive, Thin Capitalization, Intangible Assets and Tax Minimization.

Descriptive Statistics Results

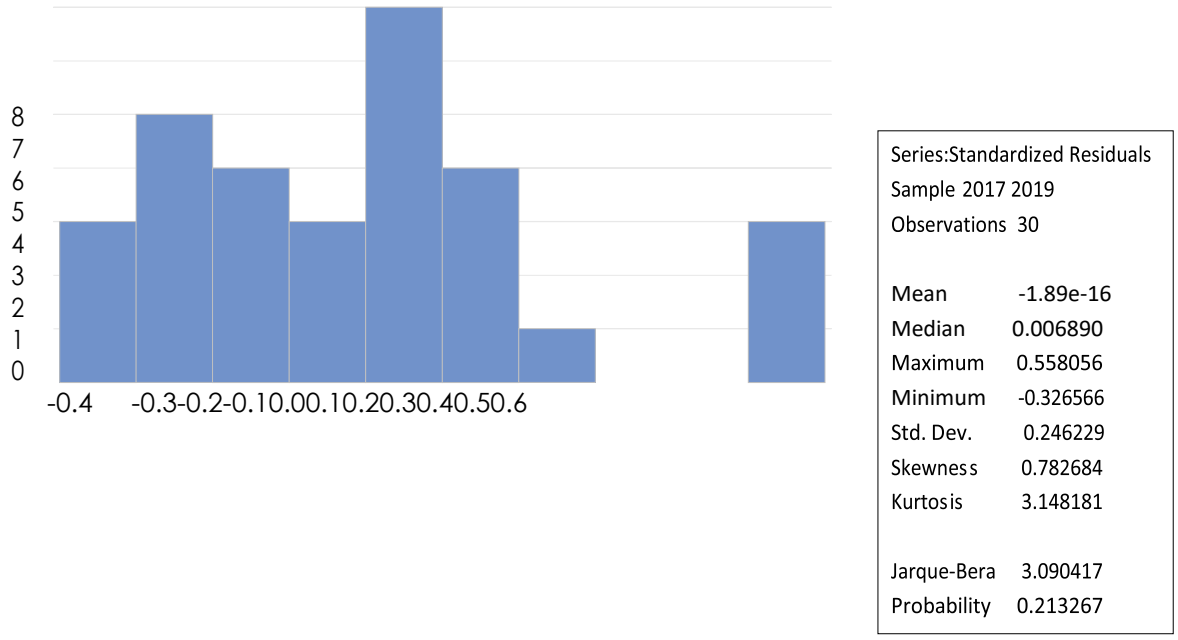
Sample: 2017-2021

	Y	X1	X2	X3	Z
Mean	0.27908	0.65355	1.2838	0.92796	0.28945
Maximum	0.96455	0.92462	8.04082	2.90949	0.40282
Minimum	0.00806	0.30983	0.06727	0.23964	0.20657
Std. Dev.	0.28945	0.21491	1.34294	0.82065	0.04682
Observations	30	30	30	30	30

Classic assumption test

By using the Ordinary Least Squared (OLS) method, to produce more precise estimation model parameter values, it is necessary to detect whether the model deviates from classical assumptions or not. This detection consists of :

CLASSIC ASSUMPTION RESULTS



Multicollinearity Test

Multicollinearity is a condition where there is a linear relationship between independent variables (Winarno, 2017:5.1). This test aims to find out whether in this regression there is a correlation between the independent variables. If correlation occurs, it is said to have a multicollinearity problem. The way to detect multicollinearity is done with the Variance Inflation Factor (VIF) test which is calculated using the following formula:

If VIF is > 10, then between the independent variables there is a multicollinearity problem (Gujarati, 1993 in Fairuz, 2017).

According to Fairuz (2017), there is a way to find out multicollinearity in a model. One way is to look at the correlation coefficient of the computer output. If there is a correlation coefficient greater than 0.9 then there are symptoms of multicollinearity. To overcome the problem of multicollinearity, one independent variable that has a correlation with other independent

variables must be deleted. In the case of the GLS method, this model has anticipated multicollinearity .

Multicollinearity Test Results

Variables	Coefficient Variance	Uncentered VIF	Centered VIF
Y	0.862807	353.3210	NA
X1	0.098323	18.99517	1.797647
X2	0.001640	2.278064	1.171008
X3	0.004401	2.724936	1.173164
Z	2.093113	73.62850	1.816631

Autocorrelation Test

Autocorrelation is the relationship between the residuals of one observation and the residuals of other observations (Winarno, 2017:5.29). The autocorrelation test aims to test whether in a linear regression model there is a correlation between confounding errors in period t-1 (previous). If correlation occurs then it is said to have an autocorrelation problem. The autocorrelation test can be seen from the Durbin Watson value. If the Durbin Watson value is in the dU to 4-dU area, it can be concluded that the regression model does not contain autocorrelation (Fairuz, 2017) .

Autocorrelation Test Results

Dependent Variables: Y
Method: Panel EGLS (Cross-section random effects)Samples: 2017 2019
Periods included: 3
Cross-sections included: 10
Total panel (balanced) observations: 30

Swamy and Arora estimator of component variances
Weighted Statistics

Root MSE	0.027039	R-squared	0.132048
Mean dependent var	0.014380	Adjusted R-squared	-0.048775
S.D. dependent var	0.029519	S.E. of regression	0.030231
Sum squared resid	0.021933	F-statistic	0.730261
Durbin-Watson stat	1.940070	Prob(F-statistic)	0.607725

Heteroscedasticity Test

Heteroscedasticity testing is carried out to test whether in a regression model, there is an inequality in the variance of the residuals from one observation to another (Ghozali, 2018: 137). If the variance of the residual from one observation to another is constant, it is called homoscedasticity. This test is carried out using the Glejser test, namely regressing each independent variable with the absolute residual as the dependent variable. Residual is the

difference between the observed value and the predicted value, while absolute is the absolute value. The Glejser test is used to regress the absolute residual value on the independent variable. If the confidence level result of the Glejser test is > 0.05 then there is no heteroscedasticity.

Heteroscedasticity Test Results

Heteroskedasticity Test: Glejser
Null hypothesis: Homoskedasticity

F-statistic	2.327580	Prob. F(5,24)	0.0739
Obs*R-squared	9.796789	Prob. Chi-Square(5)	0.0812
Scaled explained SS	7.764690	Prob. Chi-Square(5)	0.1697

Test Equation:
Dependent Variable:
ARESIDMethod: Least
Squares Sample: 1 30
Included observations: 30

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Y	0.935954	0.457364	2.046409	0.0518
X1	-0.166115	0.154395	-1.075907	0.2927
X2	-0.022727	0.019942	-1.139683	0.2657
X3	-0.060473	0.032664	-1.851382	0.0765
Z	-1.433545	0.712364	-2.012379	0.0555
R-squared	0.326560	Mean dependent var		0.193671
Adjusted R-squared	0.186260	S.D. dependent var		0.147739
S.E. of regression	0.133272	Akaike info criterion		-1.015997
Sum squared resid	0.426272	Schwarz criterion		-0.735757
Log likelihood	21.23995	Hannan-Quinn criter.		-0.926346
F-statistic	2.327580	Durbin-Watson stat		0.924062
Prob(F-statistic)	0.073872			

PANEL DATA MODEL RESULTS WITH MODERATION

Common Effect Model (CEM)

This technique is the simplest technique for estimating panel data model parameters, namely by combining cross section and time series data as one unit without seeing any differences in time and entities (individuals). Where the approach that is often used is the Ordinary Least Square (OLS) method. The common effect model captures differences in individual and time dimensions, in other words, data behavior between individuals is the same in various time periods .

Common Effect Model (CEM) Test Results

Dependent Variable: Transfer
PricingMethod: Panel Least
Squares Sample: 2017 2019
Periods included: 3
Cross-sections included: 10
Total panel (balanced) observations: 30

Variable	Coefficient	Std. Error	t-Statistic	Prob.

Y	3.692171	10.26192	0.359793	0.7228
X1	2.452418	6.760225	0.362772	0.7206
X2	0.700095	1.121346	0.624334	0.5395
X3	0.128301	0.985696	0.130163	0.8977
Z	-5.213900	36.03859	-0.144675	0.8864
X1*Z	-11.99361	24.35994	-0.492350	0.6278
X2*Z	-2.917853	4.363327	-0.668722	0.5113
X3*Z	-0.816592	3.933204	-0.207615	0.8376
Root MSE	0.224408	R-squared		0.378189
Mean dependent var	0.279082	Adjusted R-squared		0.098374
S.D. dependent var	0.289448	S.E. of regression		0.274842
Akaike info criterion	0.515962	Sum squared resid		1.510764
Schwarz criterion	0.983028	Log likelihood		2.260574
Hannan-Quinn criter.	0.665380	F-statistic		1.351566
Durbin-Watson stat	0.236312	Prob(F-statistic)		0.273361

Fixed Effect Model(FEM)

The Fixed Effect model approach assumes that the intercept for each individual is different while the slope between individuals is constant (the same). This technique uses dummy variables to capture differences in perception between individuals.

Fixed Effect Model (FEM) Test Results

Dependent Variable: Transfer
PricingMethod: Panel Least
Squares Samples: 2017 2019
Periods included: 3
Cross-sections included: 10
Total panel (balanced) observations: 30

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.280752	2.818161	0.454464	0.6583
X1	-0.336931	1.242259	-0.271224	0.7912
X2	0.278526	0.113877	2.445859	0.0325
X3	-0.435873	0.349846	-1.245898	0.2387
X4	-0.020979	0.068991	-0.304078	0.7667
Z	-6.339599	11.85123	-0.534932	0.6033
X1*Z	3.025941	6.579468	0.459907	0.6545
X2*Z	-1.081128	0.456737	-2.367071	0.0373
X3*Z	1.663775	1.360170	1.223211	0.2468
X4*Z	0.138982	0.258024	0.538639	0.6009

Effects SpecificationCross-section fixed (dummy variables)

Root MSE	0.013996	R-squared	0.997581
Mean dependent var	0.279082	Adjusted R-squared	0.993623
S.D. dependent var	0.289448	S.E. of regression	0.023113
Akaike info criterion	-4.433449	Sum squared resid	0.005876
Schwarz criterion	-3.546024	Log likelihood	85.50173
Hannan-Quinn criter.	-4.149554	F-statistic	252.0509
Durbin-Watson stat	3.144446	Prob(F-statistic)	0.000000

Random Effect Model (REM)

According to Mahulete (2016), in this method differences in individual characteristics and time are accommodated with errors from the model. Considering that there are two components that contribute to the formation of error, namely (individual and time), this method needs to be broken down into error from individual components, error for the time component and combined error. The choice of FEM or REM is based on whether heterogeneity is constant and correlated with the independent variables) or random. However, in practice this is difficult to determine a priori. To test the superiority of a model over other models (Ariefianto, 2012: 152).

Random Effect Model (REM) Test Results

Dependent Variables: Transfer Pricing
Method: Panel EGLS (Cross-section random effects)Sample: 2017 2019
Periods included: 3
Cross-sections included: 10
Total panel (balanced) observations: 30
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Y	3.692138	0.862995	4.278282	0.0004
X1	2.452429	0.568514	4.313755	0.0003
X2	0.700094	0.094302	7.423988	0.0000
X3	0.128303	0.082894	1.547792	0.1374
Z	-5.213796	3.030733	-1.720309	0.1008
X1*Z	-11.99364	2.048595	-5.854572	0.0000
X2*Z	-2.917851	0.366942	-7.951807	0.0000
X3*Z	-0.816598	0.330770	-2.468775	0.0227

Effects Specification		
	S.D.	Rho
Cross-section random	3.49E-050.0000	
Idiosyncratic random	0.0231131.0000	

Weighted Statistics			
Root MSE	0.224407	R-squared	0.378188
Mean dependent var	0.279081	Adjusted R-squared	0.098373
S.D. dependent var	0.289447	S.E. of regression	0.274841
Sum squared resid	1.510755	F-statistic	1.351563
Durbin-Watson stat	0.236312	Prob(F-statistic)	0.273363

Unweighted Statistics			
R-squared	0.378189	Mean dependent var	0.279082
Sum squared resident	1.510764	Durbin-Watson stat	0.236311

RESULTS OF PANEL DATA MODEL SELECTION WITHOUT MODERATION

1. Test Chow

   Chow test is a test to determine the most appropriate fixed effect or common effect model to use in estimating panel data. Decision making is made if.

   i. Prob value F < critical limit, then reject H0 or choose fixed effect over common effect.

   ii. Prob F value > critical limit, then accept H0 or choose common effect over fixed effect.

Chow Test Results (Common – Fixed)

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistics	df	Prob.
Cross-section F	312.993946	(9,11)	0.0000
Cross-section Chi-square	166.482315	9	0.0000

Cross-section fixed effects test equation:
Dependent Variable: Transfer Pricing
Method: Panel Least Squares
Sample: 2017 2021
Periods included: 3
Cross-sections included: 10
Total panel (balanced) observations: 30

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Y	3.692171	10.26192	0.359793	0.7228
X1	2.452418	6.760225	0.362772	0.7206
X2	0.700095	1.121346	0.624334	0.5395
X3	0.128301	0.985696	0.130163	0.8977
Z	-5.213900	36.03859	-0.144675	0.8864
X1*Z	-11.99361	24.35994	-0.492350	0.6278
X2*Z	-2.917853	4.363327	-0.668722	0.5113
X3*Z	-0.816592	3.933204	-0.207615	0.8376

Root MSE	0.224408	R-squared	0.378189
Mean dependent var	0.279082	Adjusted R-squared	0.098374
S.D. dependent var	0.289448	S.E. of regression	0.274842
Akaike info criterion	0.515962	Sum squared resident	1.510764
Schwarz criterion	0.983028	Logs likelihood	2.260574
Hannan-Quinn criter.	0.665380	F-statistic	1.351566
Durbin-Watson stat	0.236312	Prob(F-statistic)	0.273361

Hausman test

The Hausman test is a statistical test to determine whether the fixed effect or random effect model is most appropriate to use. Decision making is made if:

i. The calculated chi square value > chi square table or chi square probability value < significance level, then reject H0 or choose fixed effects rather than common effects.
ii. The calculated chi square value < chi square table or chi square probability value > significance level, then do not reject H0 or choose random effects over fixed effects.

Hausman Test Results (Fixed – Random)

Correlated Random Effects -
Hausman TestEquation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	16.928643	9	0.5894

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
X1	-0.336931	2.452429	1.220000	0.0116
X2	0.278526	0.700094	0.004075	0.0000
X3	-0.435873	0.128303	0.115521	0.0969
Z	-6.339599	-5.213796	131.266249	0.9217
X1*Z	3.025941	-11.993645	39.092657	0.0163
X2*Z	-1.081128	-2.917851	0.073962	0.0000
X3*Z	1.663775	-0.816598	1.740654	0.0601

CONCLUSION

This research aims to test the influence of the Tunneling Incentive, Thin Capitalization and Intangible Asset variables on Transfer Pricing with the Tax Minimization variable as a moderating variable. Based on existing data collected and results testing that has been done done to problem with use analysis panel data regression , then can taken conclusion as following:

1. The Tunneling Incentive variable has an effect positive on Transfer Pricing. This matter explain that the more High Tunneling Incentive will be influence and improve the occurrence of Transfer Pricing in the company manufacturers listed on the IDX in 2018-2021.
2. Thin Capitalization variable has an effect positive on Transfer Pricing. This matter explain that the more high Thin Capitalization will influence and improve the occurrence of Transfer Pricing in the company manufacturers listed on the IDX in 2018-2021
3. Intangible Asset variables have an influence negative on Transfer Pricing. This matter explain that the more high Intangible Assets will be influence and improve the occurrence of Transfer Pricing in the company manufacturers listed on the IDX in 2018-2021
4. The Tax Minimization variable moderates in a way significant the influence of Tunneling Incentives on Transfer Pricing. This result explain that the more tall the interaction of Tax Minimization with Tunneling Incentives will influence and reduce the occurrence of Transfer Pricing in the company manufacturers listed on the Indonesia Stock Exchange (BEI) in 2017-2019. These results also found that Tax Minimization can weaken connection between Tunneling Incentives and Transfer Pricing.
5. The Tax Minimization variable moderates in a way significant the influence of Thin Capitalization on Transfer Pricing. This result explain that the more tall the interaction of Tax Minimization with Thin Capitalization will be influence and reduce the occurrence of Transfer Pricing in the company manufacturers listed on the Indonesia Stock Exchange (BEI) in 2017-2019. These results also found that Tax Minimization can weaken connection between Thin Capitalization and Transfer Pricing.
6. This result explain that the more tall the interaction of Tax Minimization with Intangible Assets will influence and reduce the occurrence of Transfer Pricing in the company manufacturers listed on the Indonesia Stock Exchange (BEI) in 2017-2019. These results also found that Tax Minimization can strengthen connection between Intangible Assets and Transfer Pricing.

Suggestion

With all limitations that have expressed so researcher provide suggestions in the form of :

1. Researcher furthermore recommended can add or expand population sample as well as year research used _ in study This so that can multiply sample in study . Researcher you can do it next too add variables that have not researched in study This or can replace variable moderation used _ with variable other.
2. For companies , it is expected study This can made source literacy For take decision in management company . For regulators, it is hoped study This can made source literacy For determine and create related regulations _ with corporate , finance and taxation .

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