**ABSTRACT**

Riska Oktaviani Angelina / 32150051 / 2019 / The Effect of Tax, Intangible Asset, and Tunneling Incentive on Manufacture Company Indications Performing Transfer Pricing Listed on Indonesia Stock Exchange in 2015-2017 / Advisor: Amelia Sandra S.E., M.Si., Ak., M.Ak.

Facing the era of globalization which is currently increasingly modern causes the economy to develop without limits. New problems will arise that must be ready to face. One of them is a multinational company that will face the problem of tax differences that apply in every country. With this difference in tax rates, multinational companies make decisions to transfer pricing. So in this study aims to see the influence of taxes, intangible asset, and tunneling incentive on indication of the company conducting the transfer pricing.

In General, transaction with related parties are regulated in the arm’s length principle throught comparative calculation and analysis but the complexity of the structure and degree of autonomy within multinational corporation provides a gap for multinational companies to be able to initiate a transfer pricing mechanism. The agency theory explained that companies can be seen as a contractual relantionship between resource holders.

The research samples are manufacturing companies which is listed on Indonesian Stock Exchange during the period 2015-2017. The independent variables used by the author are taxes, intangible asset, and tunneling incentive, and the dependent variables is transfer pricing. The sampling technique when the author selects the samples to meet certain criteria. Data analysis techinques to examine each of the variable and testing hypothesis was done through, statistic descriptive test, the dummy variable approach, classical assumption test, multiple linear regression analysis to test the coefficient of determination, F test and t test using SPSS 22.

Based on the result, the t-test on taxes has a value of sig 0.375 (0.750/2), intangible asset has a value of sig 0.009 (0.018/2), and tunneling incentive has a value of sig 0.464 (0.928/2).

The conclusion of this research are the intangible asset have affect the indication of the company conducting transfer pricing, while taxes and tunneling incentive does not affect the indication of the company conducting transfer pricing.

Keywords: Transfer Pricing, Taxes, Intangible Asset, Tunneling Incentive