

ABSTRACT

This study aims to examine empirically about the effect of Tunneling Incentive, Managerial Ownership on Transfer Pricing in Various Industry Sectors, Automotive and Component Industries listed on the Indonesia Stock Exchange in 2014-2018. The independent variables in this study are Transnational Corporation (TNC) and Managerial Ownership (KM). While the dependent variable in this study uses the Related Party Transaction (RPT).

The research model used is descriptive and verification analysis. The population of this research is the automotive sub-sector manufacturing companies and components listed on the Indonesia Stock Exchange in the 2014-2018 period amounting to 13 companies. The sample research method uses a purposive sampling technique with a total sample of 6 companies that meet the criteria. Data analysis techniques used in this study were hypothesis testing (t test), multiple linear tests, correlation coefficient tests, simultaneous tests (f tests) and the coefficient of determination.

The results showed that Tunneling Incentive and Managerial Ownership simultaneously affect the transfer pricing of Automotive Subsector and Component Manufacturing Companies listed on the Indonesia Stock Exchange in 2014-2018 with a contribution of 71.4%.

Keywords : *Tunneling Incentive, Managerial Ownership, and Transfer Pricing.*