

## **ABSTRACT**

*This study aims to find out empirically the Effect of Tax Avoidance, Bonus Mechanisms, and Firm Size on Transfer Pricing in manufacturing companies, namely the basic and chemical industrial sector, the various industrial sector and the consumer goods industrial sector listed on the Indonesia Stock Exchange (IDX) for the period 2016-2021. The factors tested in this study are tax avoidance, bonus mechanism and firm size.*

*The method used in this research is descriptive and associative method. This study uses secondary data in the form of financial statements obtained from the official website of each company and the web site [www.idx.co.id](http://www.idx.co.id). The sampling technique used in this study is a purposive sampling technique which produces 45 samples of companies. The analytical techniques used in this research are descriptive analysis, associative analysis, classical assumption test, normality test, multicollinearity test, heteroscedasticity test, autocorrelation test, hypothesis testing, panel data regression analysis and coefficient of determination with the help of Econometric Views (EViews) 12 program.*

*Results Based on research on manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2016-2021 period. Tax Avoidance has an effect on Transfer Pricing with a contribution of 20.16%. Bonus mechanism has an effect on Transfer Pricing with a contribution of 20.22%. Firm size has an effect on Transfer Pricing with a contribution of 21.13%. Meanwhile, simultaneously, Tax Avoidance, Bonus Mechanism, and Firm Size have an effect on Transfer Pricing with a contribution of 61.51%.*

*Keywords: Tax avoidance, bonus mechanism, firm size, and transfer pricing.*