

## **ABSTRACT**

*Transfer pricing is the transaction price contained in each product or service between companies that have a special relationship in conditions based on the principle of fair market prices, but transactions between members of the company can result in a transfer of income with the aim of suppressing the overall tax payable to taxpayers. who have this special relationship.*

*This study aims to determine the effect of tunneling incentives, intangible assets, and debt covenants on transfer pricing with tax minimization as a moderating variable in manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2015-2021 period.*

*The population in this study are manufacturing sector companies listed on the Indonesia Stock Exchange (IDX) in 2015-2021. The sample selection technique used is purposive sampling and obtained 18 samples of companies with a research period of 7 years in order to obtain a total of 126 research observations. The data used in this study were obtained from the company's financial statement data. The data analysis method in this study was logistic regression analysis and moderate regression analysis which was tested using SPSS 26 software.*

*Based on the results of the research conducted, it shows that tunneling incentives, intangible assets, and debt covenants after being moderated by tax minimization have a simultaneous effect on transfer pricing decisions. Partially, debt covenants have a negative effect on transfer pricing. Meanwhile, tunneling incentives and intangible assets have no effect on transfer pricing decisions for manufacturing companies listed on the Indonesia Stock Exchange in 2015-2021.*

*In this study, the researcher suggests for further research to expand objects other than manufacturing sector companies as well as increase the number of samples by increasing the number of research periods and adding independent variables outside of this study. For the management of manufacturing sector companies, it is expected that the debt covenant indicator can be taken into consideration in making transfer pricing decisions and for the Directorate General of Taxes the results of this study can tighten supervision over the transfer pricing practice by establishing an Advance Pricing Agreement (APA) as a way to anticipate if the company carries out transfer practices. pricing.*

**Keywords:** *debt covenant, intangible asset, tax minimization, transfer pricing, and tunneling incentive.*