



# GOVERNING TRANSFER PRICING AGGRESSIVENESS IN INDONESIA: A SYSTEMATIC REVIEW OF TAX REGULATORY DESIGN AND ENFORCEMENT CHALLENGES

Supriyadi <sup>1)\*</sup>; I Gede Komang Chahya Bayu Anta Kusuma <sup>2)</sup>

<sup>1)</sup> [priesoekarno@pknstan.ac.id](mailto:priesoekarno@pknstan.ac.id), Politeknik Keuangan Negara STAN

<sup>2)</sup> [ibavyuantakusuma@pknstan.ac.id](mailto:ibavyuantakusuma@pknstan.ac.id), Politeknik Keuangan Negara STAN

## Abstract

Transfer Pricing Aggressiveness remains a significant challenge within Indonesia's tax system, contributing to base erosion, recurring tax disputes, and persistent legal uncertainty. While prior studies have predominantly focused on firm-level determinants, this study seeks to reconceptualize transfer pricing aggressiveness as a tax governance issue by identifying underlying structural weaknesses and advancing evidence-based policy responses aligned with challenges in tax regulatory design and enforcement. This study adopts a qualitative approach based on a systematic literature review of peer-reviewed international and national journals, complemented by a comprehensive analysis of Indonesia's transfer pricing regulatory framework. The reviewed literature is examined through thematic synthesis to identify recurring patterns related to tax supervision, audit practices, and dispute resolution, thereby integrating empirical findings with regulatory and institutional perspectives. The findings indicate that transfer pricing aggressiveness in Indonesia is sustained not only by corporate incentives to minimize tax liabilities but also by fragmented risk identification, inconsistent audit practices, limited access to reliable comparables, and predominantly reactive dispute resolution mechanisms. The analysis further reveals that misalignment between regulatory objectives and administrative capacity intensifies disputes and undermines legal certainty, while insufficiently integrated oversight weakens the effectiveness of transfer pricing governance. These governance deficiencies interact with firm-level incentives, reinforcing adversarial interactions and increasing the likelihood of protracted disputes. The study concludes that mitigating transfer pricing aggressiveness requires an integrated governance strategy encompassing regulatory clarity, risk-based supervision, consistent audit practices, strengthened data infrastructure, and proactive dispute prevention mechanisms. These findings offer policy-relevant insights for tax authorities and contribute to the literature by developing a coherent framework for governing transfer pricing aggressiveness in developing countries.

**Keywords:** Regulatory Design; Tax Enforcement; Tax Governance; Transfer Pricing Aggressiveness

## INTRODUCTION

Transfer Pricing Aggressiveness has emerged as a significant concern in modern international taxes, especially for developing nations that depend substantially on corporate income tax collections (Kalra & Afzal, 2023). As multinational corporations increasingly function through intricate cross-border frameworks, transfer pricing strategies have transformed from compliance-focused pricing methods into strategic instruments for reducing worldwide tax obligations (Bentley, 2018). This phenomenon has elicited significant apprehensions about base erosion, profit shifting, and the diminishment of national tax sovereignty. International organizations and scholarly publications continually emphasize that aggressive transfer pricing practices disrupt economic neutrality, compromise tax equity, and diminish the credibility of tax systems, particularly in regions with constrained administrative capabilities. (Richardson et al., 2013); (Klassen, 2017). Consequently, addressing transfer pricing aggressiveness has become a central agenda in both global tax reform initiatives and domestic tax policy debates (Elumilade et al., 2022).

In Indonesia, the aggressiveness of transfer pricing becomes a significant policy concern (Irawan et al., 2020) (Arham et al., 2020). Indonesia's open economy, reliance on foreign direct investment, and integration into global value chains render it structurally vulnerable to aggressive tax planning tactics. Empirical research in Indonesia has established that firm-level attributes, including leverage, profitability, political connections, and effective tax rates, are significantly correlated with aggressive transfer pricing practices (Yudanto & Damayanti,



2021); Sartono & Gunardi, 2022). The Indonesian tax authority has concurrently faced a continual increase in audits and disputes connected to transfer pricing, many of which develop into protracted litigation proceedings (Sari et al., 2023). These findings indicate that transfer pricing aggression in Indonesia cannot be entirely attributed to taxpayer behavior; it must also be analyzed in relation to institutional capacity, regulatory architecture, and enforcement methods.

Notwithstanding the expanding corpus of empirical literature, a key research issue remains inadequately addressed. Current research mostly concentrates on identifying statistical factors influencing transfer pricing aggressiveness, frequently utilizing quantitative models to elucidate the rationale behind enterprises' adoption of aggressive pricing techniques (Kumar, 2021). Although these investigations yield valuable insights, they furnish scant direction on how tax administrations ought to practically address such activity. In Indonesia, this constraint is especially significant as aggressive transfer pricing has resulted in systemic difficulties in tax oversight, audit implementation, and dispute resolution. Practitioner reports and policy conversations reveal persistent difficulties, including inconsistent risk identification, restricted use of comparability analysis, varying audit methodologies between tax years, and a tenuous connection between transfer pricing data and enforcement results.

A commonly suggested solution in policy discussions is the enhancement of transfer pricing restrictions and documentation mandates. Indonesia has systematically revised its regulatory framework, resulting in the promulgation of Government Regulation Number 55 of 2022 and Minister of Finance Regulation Number 172 of 2023 regarding the implementation of the arm's length principle. These regulations seek to improve legal certainty, standardize documentation, and harmonize local norms with international best practices. Nonetheless, regulatory reform alone has been inadequate in mitigating aggressive behavior or averting disagreements. The ongoing prevalence of transfer pricing disputes indicates that the efficacy of these policies is hindered by structural and administrative issues, such as inconsistent enforcement, restricted analytical capabilities, and disjointed data systems.

The academic literature has suggested more precise strategies to mitigate transfer pricing aggressiveness beyond mere legislative constraints (Kalra & Afzal, 2023). A segment of research underscores the implementation of risk-based supervision frameworks, contending that tax authorities ought to focus on high-risk taxpayers and transactions through systematic risk assessment tools (Taylor et al., 2015) (Klassen, 2017). A separate body of literature emphasizes the significance of audit quality, namely the consistency of functional, asset, and risk analyses, along with the trustworthiness of comparable data included in transfer pricing evaluations. Research in developing nations indicates that inadequate audit methodology and improper use of comparables frequently lead to conflicts more than deliberate non-compliance by taxpayers (SABELLA, n.d.) (Hasan et al., 2024).

Additional academic contributions support the enhancement of dispute prevention and resolution procedures as a supplementary method. Instruments like advance price agreements and mutual agreement procedures are acknowledged as useful mechanisms for mitigating uncertainty and averting extended litigation. Empirical research demonstrates that these techniques are frequently neglected or inconsistently applied in numerous developing nations due to institutional limitations and a lack of knowledge. Consequently, transfer pricing disagreements sometimes escalate into contentious processes, incurring substantial administrative and compliance expenses for both tax authorities and taxpayers, without necessarily enhancing long-term compliance. Despite being extensively documented in international literature, their implementation within the Indonesian context remains disjointed. Most studies analyze various components of transfer pricing governance—such as determinants, audits, or dispute resolutions—separately (Sebele-Mpofu et al., 2021). There



exists a paucity of integrative research that amalgamates scientific findings with regulatory advancements and practical enforcement obstacles. Few studies systematically link the academic literature on transfer pricing aggressiveness with the practical challenges encountered by tax administrators, including inconsistent data reporting, difficulties in identifying related-party relationships, and varying interpretations of the arm's length principle throughout audit phases.

This fragmentation indicates a distinct research deficiency. Although the factors influencing transfer pricing aggression in Indonesia are pretty well understood, there is a lack of comprehension regarding the interplay of institutional deficiencies in monitoring, auditing, and dispute resolution that sustain aggressive practices and ongoing conflicts (Mashiri et al., 2021). Furthermore, current research seldom converts empirical results into specific, evidence-based policy suggestions suited to Indonesia's institutional context.

Bridging this gap is essential for shifting the discourse from problem identification to the development of effective governance solutions. This study aims to identify the core structural factors driving transfer pricing aggressiveness in Indonesia and to propose evidence-based policy solutions grounded in scientific literature and regulatory analysis. This study offers a comprehensive synthesis of current information through a meticulous literature analysis of high-quality global and national studies, while integrating perspectives from policy talks with tax authorities, scholars, and practitioners. The novelty of this study arises from its integrative technique, which unifies empirical data, regulatory frameworks, and administrative procedures into a cohesive analytical framework. The paper focuses on transfer pricing aggression in Indonesia, highlighting supervision, auditing, and dispute resolution systems, with the objective of enriching academic discourse and promoting the development of more effective and flexible transfer pricing governance.

## **LITERATURE REVIEW**

Transfer pricing aggression has been extensively analyzed in the international taxation literature as an expression of strategic tax conduct by multinational corporations (Cooper & Nguyen, 2020). The notion pertains to the intentional implementation of related-party pricing strategies to transfer profits between jurisdictions, aiming to reduce worldwide tax obligations while adhering to, or operating at the fringes of, legal compliance (Walzer, 2015). Despite significant progress in the empirical literature regarding firm-level determinants of transfer pricing aggressiveness, a thorough theoretical framework that connects corporate behavior, institutional structures, and policy responses is still crucial, especially in developing countries like Indonesia.

### **The grand theory**

Agency theory offers a fundamental explanation for aggressive tax behavior, encompassing transfer pricing tactics. Agency theory asserts that managers, as agents, may engage in behaviors that enhance corporate value or personal benefits, even if these acts incur wider social costs, such as the erosion of the tax base (Jensen & Meckling, 2019). In the realm of transfer pricing, managers may leverage information asymmetry between corporations and tax authorities to implement aggressive pricing methods that minimize tax obligations and enhance after-tax earnings. Empirical data substantiates this viewpoint by demonstrating that companies with elevated leverage, intricate organizational frameworks, or enhanced managerial incentives are more prone to adopt aggressive transfer pricing practices (Richardson et al., 2013). From this theoretical perspective, transfer pricing aggression is not an aberration but a logical result of incentive misalignment inside corporate governance frameworks.

Institutional theory, in conjunction with agency theory, provides a comprehensive macro-level elucidation of transfer pricing aggression by highlighting the significance of



regulatory frameworks, enforcement capabilities, and normative influences. Institutional theory posits that organizational behavior is influenced by economic incentives as well as by explicit regulations, informal norms, and prevailing enforcement procedures within a specific institutional setting (Kauppi, 2022). In nations characterized by intricate transfer pricing legislation, inconsistent enforcement, or inadequate dispute resolution procedures, corporations may view aggressive transfer pricing as a low-risk approach. Research in developing nations suggests that institutional deficiencies—such as inadequate audit capabilities and disjointed regulatory structures—may inadvertently promote aggressive tax planning by diminishing the perceived likelihood of detection and punishment (Albertini, 2013).

### **The Middle Theory**

Transitioning to middle-range theories, tax compliance theory offers a more refined behavioral framework for comprehending transfer pricing aggression. Conventional deterrence models highlight the significance of audits and sanctions in influencing taxpayer conduct, indicating that stringent transfer pricing may be alleviated through heightened enforcement rigor. Recent compliance models emphasize the significance of perceived justice, legal certainty, and trust in tax authorities (Taing & Chang, 2021). In the context of transfer pricing, empirical evidence indicates that inconsistent audit methodologies, ambiguous guidance on comparability analysis, and protracted dispute resolution processes may undermine trust and inadvertently foster adversarial behavior, rather than encouraging voluntary compliance (Richardson et al., 2013).

A pertinent middle-range concept is the political cost theory, which asserts that corporations weigh tax aggression against possible political and reputational costs. Research in Indonesia indicates that companies with political connections may demonstrate increased transfer pricing aggression, as these relationships can mitigate enforcement risks or aid in dispute resolution (Uwais, 2020). This viewpoint elucidates why aggressive transfer pricing endures despite formal rules, as enforcement results may fluctuate based on corporations' political and institutional standings.

### **The Applied Theory**

The transfer pricing literature has increasingly concentrated on governance mechanisms and administrative procedures at the level of applied theory. A notable applied methodology is the risk-based supervision strategy, which recommends distributing audit resources according to the probability and potential consequences of aggressive tax conduct. Research indicates that risk-based methodologies surpass uniform enforcement tactics, especially in tax administrations with limited resources (Richardson et al., 2013) (Klassen, 2017). This necessitates dependable data on related-party transactions, uniform risk indicators, and analytical capability to discern high-risk instances. Nevertheless, experience from developing nations demonstrates that shortcomings in data integration and risk assessment tools sometimes hinder the efficacy of these methods.

Audit quality is a significant practical aspect within the literature. Effective transfer pricing audits necessitate comprehensive functional, asset, and risk analysis, judicious selection of transfer pricing methodologies, and the employment of credible comparables. (Klassen, 2017) assert that methodological deficiencies in audits—such as uneven technique selection over time or dependence on non-comparable data—can compromise enforcement results and heighten the probability of disagreements. Research in Indonesia corroborates these findings, indicating that several transfer pricing issues stem not from intentional non-compliance, but from divergences in methodological selections and economic assumptions (Togatorop et al., 2024)

The research emphasizes dispute resolution processes as a crucial element of transfer pricing regulation. Advance pricing agreements and mutual agreement procedures are



considered effective mechanisms for mitigating uncertainty and averting disputes. Global experience indicates that these devices can foster cooperative compliance and enhance long-term tax certainty when bolstered by sufficient institutional capability. Empirical studies indicate that in numerous developing countries, including Indonesia, these mechanisms are underutilized owing to insufficient competence, procedural intricacies, and apprehensions regarding administrative discretion (Yani & Maradona, 2021). Notwithstanding these substantial contributions, the literature reveals significant inadequacies that need the current investigation. Initially, a significant portion of the empirical study is disjointed, concentrating either on firm-level factors or on particular administrative instruments, without synthesizing these viewpoints into a unified governance framework. Secondly, although regulatory reforms—such as improved documentation requirements and conformity with international standards—are often debated, there is a paucity of empirical evaluation on their interaction with current administrative procedures. Third, Indonesian literature has not yet completely integrated foreign perspectives with local institutional contexts, especially concerning supervision, audit implementation, and dispute settlement. Furthermore, current research frequently fails to convert empirical results into practical policy suggestions. Although the reasons of transfer pricing aggressiveness are extensively studied, there is insufficient focus on how tax authorities might formulate adaptive and context-sensitive solutions that consider both taxpayer motivations and institutional limitations. This gap is especially pertinent given recent regulatory advancements in Indonesia, which have reinforced the formal structure for applying the arm's length principle, yet have not entirely addressed implementation issues.

The literature indicates that transfer pricing aggression is a multifaceted issue influenced by agency incentives, institutional contexts, compliance dynamics, and administrative practices. Nonetheless, a distinct necessity persists for integrative research that connects overarching theories of corporate behavior, intermediate compliance and institutional theories, and practical governance frameworks. Bridging this gap necessitates a methodical integration of empirical evidence, regulatory advancements, and practical enforcement obstacles. This study addresses this requirement by synthesizing ideas from the literature and contextualizing them within Indonesia, thereby offering a more robust foundation for evidence-based policy options regarding transfer pricing aggression.

## **METHODS**

This study utilizes a qualitative, policy-focused research design that combines a systematic literature review with regulatory analysis and is corroborated by documented evidence from multi-stakeholder Forum Group Discussions (FGD) (Apriyanti et al., 2023). The design aims to transcend determinant-centric explanations of transfer pricing aggressiveness by pinpointing structural deficiencies in supervision, audit, and dispute resolution, while developing actionable, evidence-based policy responses rooted in both academic research and administrative practice.

The population consists of (i) academic research on transfer pricing aggression and governance, and (ii) Indonesian legal and regulatory frameworks regulating the implementation of the arm's length principle and transfer pricing paperwork. The compilation of academic sources comprises peer-reviewed journal articles chosen for their direct relevance to transfer pricing aggressiveness, enforcement practices, and dispute dynamics, prioritizing high-quality international and national publications, including those indexed in Scopus, Web of Science, and SINTA 1–2. The regulatory and policy sample encompasses Indonesia's fundamental transfer pricing system, particularly Government Regulation Number 55 of 2022 and Minister of Finance Regulation Number 172 of 2023, serving as benchmarks for evaluating rule design and



implementation consequences. The FGD record offers contextual validity by documenting viewpoints from tax authority officials, researchers, practitioners, and oversight stakeholders. Three instruments direct the research. A structured review methodology is employed to screen and extract similar data from each included study, encompassing research context, constructs, methodologies, key findings, and policy implications. Secondly, a regulatory-mapping framework associates legal elements with the administrative phases of transfer pricing governance—oversight, auditing, and dispute resolution—to pinpoint interpretation deficiencies and operational limitations. Third, a theme coding framework integrates academic and policy documents into a cohesive structure of problem, root cause, and solution that corresponds with the study's analytical areas.

The procedures consist of four stages: identifying and screening pertinent literature based on established inclusion criteria; extracting and thematically coding information while synthesizing across supervision, audit, and dispute resolution; conducting regulatory analysis to evaluate intended operations and capacity limitations; and triangulating with focus group discussions to document enforcement challenges, thereby improving contextual validity and policy relevance.

The study reinterprets transfer pricing aggressiveness as a governance issue that connects corporate conduct, regulatory frameworks, and administrative practices, creating a structured, context-specific agenda to bolster oversight, enhance audit quality, and mitigate disputes in Indonesia, thus augmenting the practical applicability of transfer pricing research for tax administrations in developing countries.

## **RESULTS AND DISCUSSION**

### **Aggregated Conclusions**

This analysis illustrates that transfer pricing aggression in Indonesia is not solely driven by firm-level incentives but is also influenced by structural deficiencies in transfer pricing governance, especially in oversight, audit implementation, and dispute settlement. Previous empirical research consistently identifies leverage, profitability, firm size, effective tax rates, and political connections as determinants of aggressive transfer pricing behavior (Richardson et al., 2013); (Sulaeman & Surjandari, 2024). This synthesis suggests that these incentives manifest as sustained aggressiveness primarily in the context of weak or inconsistently enforced regulatory and administrative mechanisms. This finding reinforces the study's principal assertion that transfer pricing aggressiveness need to be perceived as a governance issue, rather than merely a behavioral consequence at the organizational level. The discourse is organized according to the enforcement lifecycle inherent in Indonesia's transfer pricing framework: oversight, auditing, and dispute settlement, as delineated in PP No. 55 of 2022 and PMK No. 172 of 2023.

### **Deficiencies in Supervision and Risk Assessment pursuant to PP No. 55 of 2022**

The findings suggest that inadequacies in transfer pricing oversight represent a significant opportunity for aggressive tactics. The evidence underscores that early-stage risk identification is crucial for mitigating aggressive tax planning. Nonetheless, supervisory processes frequently lack the analytical capability to consistently identify high-risk related-party transactions. PP No. 55 of 2022 officially enforces the arm's length principle and enhances the legal framework for overseeing related-party transactions. Nonetheless, the results indicate a disparity between regulatory aim and execution. In practice, supervisory systems encounter difficulties in harmonizing related-party disclosures across reporting instruments and tax years, leading to disjointed and reactive risk assessment. This circumstance corresponds with institutional theory, which asserts that inadequate enforcement signals diminish perceived



detection risk and promote opportunistic conduct (Burdon & Sorour, 2020). Furthermore, while risk-based supervision is implicitly endorsed by PP No. 55 of 2022, the lack of standardized and transparent transfer pricing risk indicators undermines its efficacy. In the absence of dependable data integration and well-defined risk criteria, supervision is predominantly compliance-focused rather than preventive, permitting aggressive activities to continue unnoticed.

### **Audit Procedures and Methodological Uniformity pursuant to PMK No. 172 of 2023**

Audit practices are the second crucial domain influencing transfer pricing aggressiveness. PMK No. 172 of 2023 offers comprehensive guidelines on the implementation of the arm's length principle, encompassing functional analysis, comparability, and documentation prerequisites. This legislation seeks to standardize auditing methodologies and provide legal certainty. Nonetheless, the results demonstrate that methodological discrepancies in audits continue to be a considerable cause of contention. Empirical research indicates that disputes often stem from inconsistent technique selection, varying interpretations of functional analysis, and alterations in approach across tax years for similar transactions (Shahab, 2022). The anomalies diminish the credibility of audit results and reduce the deterrent impact of enforcement. This gap underscores that regulatory clarity alone is inadequate from an applied governance perspective. The successful execution of PMK No. 172 of 2023 necessitates ongoing investment in examiner proficiency, uniform audit protocols, and internal quality assurance systems. When audits are viewed as erratic or without robust economic analysis, taxpayers may logically assume assertive stances, expecting advantageous results during dispute phases.

### **Analysis of Comparability and Data Limitations**

Comparability analysis constitutes a fundamental operational problem throughout the supervision and audit phases. While PMK No. 172 of 2023 underscores the significance of dependable comparables, the results indicate ongoing limitations in data accessibility and pertinence. Global literature acknowledges that developing nations encounter systemic obstacles in obtaining high-quality comparable data, especially for integrated or specialized business models (Klassen, 2017).

In Indonesia, dependence on inadequate or unrepresentative comparables frequently results in modifications that do not accurately represent economic reality, heightening the probability of disagreements. This conclusion highlights that the efficacy of PMK No. 172 of 2023 relies not solely on formal regulations but also on the availability of accompanying data infrastructure and analytical instruments. From a compliance theory standpoint, dubious comparability analysis diminishes perceptions of procedural fairness, so eroding trust and exacerbating hostile taxpayer behavior (Kirchler et al., 2014).

### **Conflict Resolution and Preventive Strategies**

The results imply that deficiencies in dispute resolution processes exacerbate the continuance of aggressive transfer pricing practices. Transfer pricing disputes are extensively recognized as intricate and resource-demanding, resulting in substantial administrative and compliance expenses (Hummel, 2019); (Bakker & Levey, 2011); (Uwais, 2020). Numerous conflicts arise from unaddressed methodological disagreements rather than intentional non-compliance. Although Indonesia's legislative framework acknowledges preventive measures including advance pricing agreements and cooperative compliance, their application is still restricted. This underutilization signifies a lost chance to implement the preventive ethos included in PP No. 55 of 2022 and PMK No. 172 of 2023. In accordance with compliance theory, reliable and collaborative conflict prevention systems can diminish combative conduct and improve voluntary adherence (Kirchler et al., 2008).



### **Incorporating Organizational Incentives and Regulatory Oversight**

This study significantly contributes by integrating firm-level variables with regulatory and institutional views. Previous research indicates that companies with enhanced incentives—such as elevated indebtedness or political affiliations—are more prone to adopt aggressive transfer pricing strategies (Richardson et al., 2013). The current findings indicate that these incentives result in persistent aggressiveness mainly when oversight is inadequate, audits are irregular, and dispute resolution is prolonged. This relationship indicates that policy solutions focused exclusively on enhancing regulations or escalating fines, as proposed in regulatory reforms, will yield minimal effect unless paired with advancements in administrative capability and governance quality.

### **Policy-Focused Synthesis**

The summarized findings suggest that PP No. 55 of 2022 and PMK No. 172 of 2023 establish a solid legal foundation; nonetheless, their efficacy in mitigating transfer pricing aggression is contingent upon the quality of execution. Enhancing data integration for risk-based supervision, guaranteeing methodological consistency in audits, boosting access to dependable comparables, and broadening preventive dispute procedures are essential for converting regulatory purpose into successful governance results (Ogunsola et al., 2021).

### **CONCLUSION**

This study analyzed transfer pricing aggression in Indonesia by synthesizing insights from academic literature, regulatory analysis, and policy discussions, focusing on supervision, audit methods, and dispute settlement. The results indicate that transfer pricing aggressiveness cannot be sufficiently elucidated by firm-level incentives alone, including leverage, profitability, or effective tax rates, as evidenced by previous empirical research. Aggressive transfer pricing practices continue primarily due to structural deficiencies in governance and implementation, such as fragmented risk identification, methodological inconsistencies in audits, limited access to reliable comparables, and reactive dispute resolution mechanisms. Despite Government Regulation No. 55 of 2022 and Minister of Finance Regulation No. 172 of 2023 establishing a thorough legal foundation for the implementation of the arm's length principle, their efficacy is hindered by deficiencies in administrative capability and practical execution.

### **Recommendations**

The research presents several significant implications for tax policy and administration. To enhance transfer pricing governance in Indonesia, it is essential to transition from merely tightening regulations to enhancing the quality of implementation, namely via integrated data systems, standardized risk indicators, and uniform audit procedures. Secondly, increased focus should be directed towards preventive and collaborative methods, including advance price agreements and systematic dispute prevention frameworks, to mitigate legal ambiguity and administrative encumbrances. Third, continual institutional learning—via systematic feedback from audit and dispute results—should be integrated into monitoring and enforcement procedures. This study enhances the academic discourse by reconceptualizing transfer pricing aggressiveness as a governance and institutional concern, rather than merely a behavioral or firm-specific issue, thus enriching empirical transfer pricing literature with a policy-relevant and context-specific viewpoint.

### **Constraints**

This study, notwithstanding its merits, has limitations that must be recognized. The approach predominantly utilizes secondary data, encompassing published literature, regulatory papers, and recorded policy conversations, which may inadequately reflect the evolving enforcement procedures or informal institutional dynamics. The study emphasizes the



Indonesian setting, potentially constraining the applicability of its findings to other jurisdictions with distinct legal and administrative frameworks. Subsequent research may enhance this study by integrating primary empirical data, including interviews with tax officials and taxpayers, or case analyses of transfer pricing disputes, and by performing comparative studies across nations to further refine evidence-based policy strategies regarding transfer pricing aggressiveness.

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