

**ANALYSIS OF FACTORS INFLUENCING THE INTENSITY OF  
TRANSFER PRICING  
(An Empirical Study of Publicly-Listed Companies in Indonesia Stock Exchange  
for the Period of 2011-2015)**

A THESIS

Presented as a Partial Fulfillment of the Requirements  
to Obtain the Bachelor Degree in Accounting Department



By:

**BHAYU WIJAYA**

Student Number: 13312302

**INTERNATIONAL PROGRAM  
FACULTY OF ECONOMICS  
UNIVERSITAS ISLAM INDONESIA  
YOGYAKARTA**

**2017**

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Approved by:

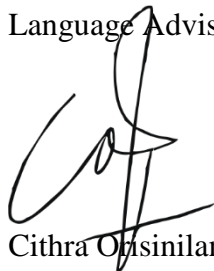
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December 14<sup>th</sup>, 2016

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**A BACHELOR DEGREE THESIS**


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Defended before the Board of Examiners  
On January 20<sup>th</sup>, 2017 and Declare Acceptable

Board of Examiners  
Examiner I

  
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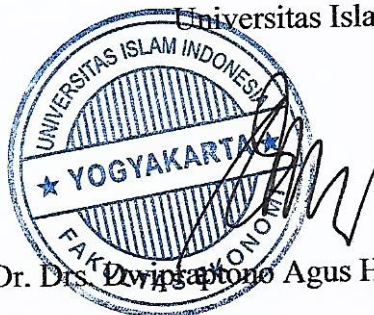
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## DECLARATION OF AUTHENTICITY

Hereby I declare the originality of the thesis; I have not presented someone else's work to obtain my university degree, nor I have presented someone else's words, ideas or expressions without any of the acknowledgments. All quotations are cited and listed in the bibliography of the thesis. If in the future this statement is proven to be false, I am willing to accept any sanction complying with the determined regulation or its consequence.



Yogyakarta, December 14<sup>th</sup>, 2016



*[Handwritten Signature]*  
Bhayu Wijaya

## بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

أَقْرَأْ بِاسْمِ رَبِّكَ الَّذِي خَلَقَ ﴿١﴾ خَلَقَ الْإِنْسَانَ مِنْ عَلَقٍ ﴿٢﴾ أَقْرَأْ وَرَبُّكَ  
الْأَكْرَمُ ﴿٣﴾ الَّذِي عَلَّمَ بِالْقَلَمِ ﴿٤﴾ عَلَّمَ الْإِنْسَانَ مَا لَمْ يَعْلَمْ ﴿٥﴾

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﴿1﴾ Read in the name of your Lord Who created. ﴿2﴾ He created man from a clot. ﴿3﴾ Read and your Lord is Most Honourable, ﴿4﴾ Who taught (to write) with the pen ﴿5﴾ Taught man what he knew not.

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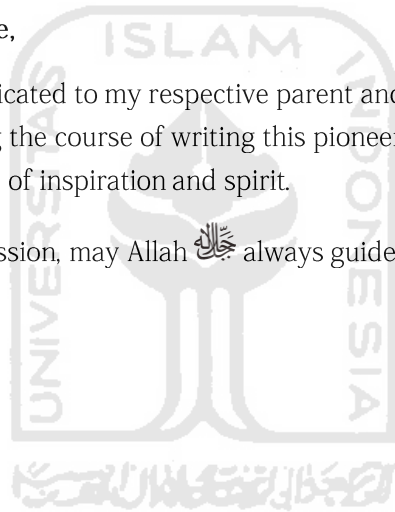
(Quran 96:1-5)

**Ketakutan** akan Allah ﷻ adalah bagi mereka yang berilmu.  
**Sapa** sing temen bakal tinemu. | **Mikul** dhuwur mendem jero.

**Earnest gratitude,**

This thesis is dedicated to my respective parent and families who have stood behind me during the course of writing this pioneering work. They have been a constant source of inspiration and spirit.

With renewed passion, may Allah ﷻ always guides us to be *rahmatan li'alamin*.





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*Alhamdulillah* *rabbil'alamin*, the thesis which entitled “**Analysis of Factors Influencing the Intensity of Transfer Pricing (An Empirical Study of Publicly-Listed Companies in Indonesia Stock Exchange for the Period of 2011-2015)**” as a partial requirements to obtain the bachelor degree in Accounting Department, International Program, Faculty of Economics, Universitas Islam Indonesia is finally finished.

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Bhayu Wijaya

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## ABSTRACT

*As the global economy expands significantly into every corner of the world, strategic action must be taken by companies to attain competitive advantage. Transfer pricing, one of the most preferable strategies, is used as inter-company pricing arrangements relating to transfers of intellectual property, tangible goods, services, and loans or other financing transactions within the same controlled group. It must be evaluated wisely since it is essential in assuring the efficiency of the companies' operation and in safeguarding the transaction fairness across business jurisdictions. This study examines the factors influencing the intensity of transfer pricing. Based on a sample of 259 publicly-listed Indonesian companies in Indonesia Stock Exchange (IDX) for the year of 2011-2015, path analysis results show that firm size and profitability are positive-significantly associated with transfer pricing intensity. On the contrary, tax-compliance, intangible assets, and capital structure are negatively associated with the transfer pricing tendency. This research is significant for academicians, company management, and investors in understanding the theoretical framework to evaluate transfer pricing practice, comprehensive consideration to align strategy to company's goal and relevant information for investment decision. For the Directorate General of Taxation (DGT), this research contributes to the input of taxation system betterment in Indonesia.*

**Keywords:** *Profitability, firm size, intangible assets, tax, capital structure, transfer pricing, Indonesia.*

## ABSTRAK

*Seiring dengan perkembangan ekonomi global yang signifikan, langkah strategis harus diambil oleh perusahaan-perusahaan dalam mencapai keunggulan kompetitif. Transfer pricing, sebagai salah satu strategi yang menjadi pilihan, menggambarkan hubungan antar perusahaan dalam hal transfer aset intelektual, aset berwujud, jasa, dan pinjaman atau transaksi keuangan lainnya dalam lingkup satu kelompok pengendali. Transfer pricing perlu dievaluasi secara bijak untuk memastikan efisiensi operasional perusahaan dan menjamin kewajaran transaksi antar yurisdiksi bisnis. Penelitian ini dimaksudkan untuk meneliti faktor-faktor yang mempengaruhi intensitas transfer pricing. Berdasarkan sampel 259 perusahaan terbuka yang tercatat di Bursa Efek Indonesia tahun 2011-2015, hasil path analysis menunjukkan bahwa ukuran perusahaan dan profitabilitas berdampak positif dan signifikan terhadap intensitas transfer pricing. Di sisi lain, faktor ketaatan pajak, aset tak berwujud, dan struktur modal berdampak negatif terhadap praktek transfer pricing. Penelitian ini memiliki implikasi yang signifikan kepada akademisi, manajemen perusahaan, dan investor dalam memahami kerangka teori untuk mengevaluasi praktek transfer pricing, pertimbangan yang komprehensif dalam menyelaraskan strategi dengan tujuan perusahaan, dan penyediaan informasi yang relevan untuk pengambilan keputusan investasi. Dalam sudut pandang Direktorat Jenderal Pajak, penelitian ini berkontribusi dalam membrikan masukan dalam rangka perbaikan sistem perpajakan di Indonesia.*

***Kata kunci: Profitabilitas, ukuran perusahaan, aset tak berwujud, pajak, struktur modal, transfer pricing, Indonesia.***

# CHAPTER I

## INTRODUCTION

### 1.1. BACKGROUND OF THE STUDY

Globalization has directed almost every aspect becomes borderless, including business and economics sector. Business enterprise as one of the key elements in society will have new responsibilities and challenges on how to maximize this disguised opportunity. Since there have been so many enterprises ran their operations all across the world with different characters including business jurisdictions, complications will appear accordingly. One of them is the satisfactory strategy to deal with the significant number of transactions. Consequently, today's modern corporations delegated the decision making and daily operations from top management to each divisional center in form of responsibility to maximize its profit as an implementation of decentralized management structure (Gilbert, McMillan, & Walters, 2013).

Globalization has created a considerable opportunity for businesses due to unavailable raw materials, labour, manufacturing capacity, and intellectual property in the multinational enterprise's (MNEs) home country that will lead them to have divisions all over the world to take place profitably through transfer pricing (McMahon, Corcelius, & Smith, 2013). In brief, in global business environment, MNEs try their best to maximize the opportunity to exploit wide market size by operating in many countries to pursue competitive advantage (Cecchini, Leitch, & Strobel, 2013).

Based on above mentioned context, transfer pricing could be defined as the price placed on a product or service by one division of a company in order for another division within the company to acquire that product or service (McMahon et al., 2013). According to Holtzman and Nagel (2014), transfer pricing is inter-company pricing arrangements relating to the transactions between related business entities in term of transfers of intellectual property, tangible goods, services, and loans or other financing transactions. In line with the previous definition, Blouin, Robinson, and Seidman (2013) have defined transfer pricing as the price attached to the operations of multinational enterprises entail numerous transactions between affiliated entities located in different jurisdictions but within the same controlled group. In addition, transfer pricing can be defined as the pricing of goods exchanged between related parties to allocate incomes across affiliated entities in different tax jurisdictions (Cristea & Nguyen, 2013).

Transfer pricing comes into prominence since it has functions to target good coordination among divisions, managers' awareness of goods and services value in term of customer focalization, profit maximization and well-allocated organization's resources in form of satisfactory performance (Fernandes, Pinho, & Gouveia, 2015). Generally, there are three methods used to determine transfer pricing: market-based transfer price, cost-based transfer price and negotiated transfer price (Gilbert et al., 2013).

Nevertheless, Gilbert et al. (2013) stated that even though transfer pricing can be used as a positive tool that works in the best interest of the overall organization, there are several ethical issues that are involved. Accordingly,

Richardson, Taylor, and Lanis (2013) mentioned that MNE conducts intra-firm trade by involving price payments to facilitate tax avoidance through artificial inter-company transfer prices. In Indonesia, there are deviations regarding the taxation and multinational companies' behavior in complying the host country regulation. Based on Sari (2016), Ministry of Finance recorded that around 2,000 foreign-owned companies have not paid their obligatory payment in the form of tax for 10 years. Based on the data, most companies tend to avoid income tax article 25 and 29. Mathematically, those companies can actually contribute as much as Rp25 billion to the state income per year.

According to Director of P2 Director General of Tax Public Relation, Mekar Satria Utama, as cited in Suroyo and Danubrata (2016), one of the major causes is the practice of transfer pricing from Indonesia-located companies to their parents in foreign country. This will lead the companies to have relatively small profit in Indonesia. In another occasion, Sigit Priadi Pramudito, director general of taxes, as reported by Suroyo and Danubrata (2016) stated that many Indonesian firms, particularly those in the coal, palm oil, cocoa and other commodities sectors, were avoiding corporate taxes by means of transfer pricing. Under transfer pricing practice, an Indonesian company sells its goods to a subsidiary in another country below market prices, and the subsidiary in turn sells them to the market. This will effectively reduce a company's profits in Indonesia and increases them in that foreign country.

Those mentioned phenomena contradict with the regulations on transfer pricing in Article 18 of the Law No. 36 Year 2008 on Income Tax (Income Tax

Act). Article 18 paragraph (3) Income Tax Act states that the Directorate General of Taxation (DGT) is authorized to re-determine the amount of taxable income for taxpayers who have a special relationship with the taxpayer more in accordance with fairness and the predominance of business that is not affected by related parties (arm's length principle) by using a price comparison between an independent party, the resale price method, the cost-plus method, or other methods. In other words, tax evasion using transfer pricing is contradict with the arm's length principle which means to ensure fair market trade at home and abroad to determine how expenses are allocated between related parties in any transactions (Gilbert et al., 2013).

One of the main causes is the current international tax rules have not kept up with the changing business environment brought about by the evolution of technology, which has given rise to many difficulties in applying the transfer pricing rules to intercompany cloud-based activities (Mazur, 2016). To do so, Indonesian government tries its best to introduce electronic tax return submissions, improving tax audit strategies by concentrating more on big corporations that use transfer pricing (Zain, 2015).

Due to the significant role of transfer pricing in the global business environment, there have been many studies conducted regarding to the internal and external factors that company consider to conduct transfer pricing, including the government perspective as one of the most concerned parties. In Indonesia, studies have been conducted regarding that issue by Kiswanto and Purwaningsih (2015) who studied the influence of tax, foreign ownership, and firm size on transfer pricing; Hartati (2014) who discussed the effect of tax and bonus mechanism on

transfer pricing; Marfuah and Azizah (2014) talked about the significance of tax, tunneling incentive, and exchange rate towards transfer pricing; Nurhayati (2013) with her evaluation of tax enforcement on transfer pricing done by MNEs in Indonesia and Rusydi and Martani (2014) who stated the effect of ownership structure towards aggressive tax avoidance. Meanwhile, similar studies also have been conducted by foreign researchers such as Davies, Martin, Parneti, & Toubal (2015), De Simone (2015), Dudar, Spengel, and Voget (2015), Fernandes et al. (2015), Mohammadi, Ahmed, and Habib (2015), Rotkowski (2015), Beer and Loerprick (2014), Chen Ye Ekström, Dall, and Nikolajeva (2014), Holtzman and Nagel (2014), Hopland, Lisowsky, Mardan, and Schindler (2014), Blouin, Robinson, and Seidman (2013), Cecchini et al. (2013), Cristea and Nguyen (2013), Doğan, Deran, and Köksal (2013), Gilbert et al. (2013), Klassen, Lisowsky, and Mescall (2013), McMahon et al. (2013), Rossing (2013), Richardson et al. (2013), and Xiaoling Chen, Chen, Pan, and Wang (2013).

Furthermore, previous studies have shown that transfer pricing is significantly affected by profitability (Mohammadi et al., 2015; Blouin, Robinson, & Seidman, 2013; Holtzman & Nagel, 2014; and Richardson et al., 2013), intangible assets (Dawson & Miller, 2015; Dudar et al., 2015; Taylor, Richardson, & Lanis, 2015; Beer & Loerprick, 2014; Hopland et al., 2014; and Richardson et al., 2013), firm size (Richardson et al., 2013; and Davies, Martin, Parneti, & Toubal, 2015), and tax (Davies et al., 2015; Kiswanto & Purwaningsih, 2015; Chen Ye Ekström et al., 2014; Hartati, 2014; Cecchini et al., 2013, Doğan et al. 2013, Klassen, Lisowsky, & Mescall, 2013; and Richardson et al., 2013).



Besides, there are some inconsistent findings. First, (Mohammadi et al., 2015; Holtzman & Nagel, 2014; Blouin, Robinson, & Seidman, 2013; and Richardson et al., 2013) showed that profitability significantly influence transfer pricing, but, according to Schäfer, Petri, Gasparetto, and Mattos (2015) and Cecchini et al. (2013), transfer pricing influence firm profitability heavily. Second, as said by Davies, Martin, Parneti, and Toubal, (2015), Cecchini et al., (2013), and Richardson et al., (2013), firm size significantly influence transfer pricing, whereas Kiswanto and Purwaningsih, (2015) and Rusydi and Martani (2014) pointed out that firm size has negative correlation with transfer pricing. Third, (Kiswanto & Purwaningsih, 2015; Sari & Hunar, 2015; Chen Ye Ekström et al., 2014; Hartati, 2014; Doğan et al. 2013; Klassen, Lisowsky, & Mescall, 2013; and Richardson et al., 2013) stated that tax significantly influence transfer pricing, while Marfuah and Azizah, (2014) found that tax has negative correlation with transfer pricing. Lastly, Klassen, Lisowsky, and Mescall, (2013), Cecchini et al. (2013), and Rossing (2013) also mentioned that tax is not significantly related with transfer pricing.

Various pattern of those determinants towards transfer pricing is also followed by some constraints. First, Xiaoling Chen et al. (2013) confessed that non-random sample limit the generalizability of the findings since it cannot represent the whole population that will be used as generalization basis. Second, Richardson et al. (2013) expressed that the sample of the study is drawn from publicly-listed firms due to the unavailable data for private firms and the transfer pricing aggressiveness index measurement is drawn from aggregated financial data at the firm-level. Third, Chen Ye Ekström et al. (2014) had limitations in form of scope

of focus, that the focus is only on tax-motivated transfer pricing. Fourth, inability toward generalizability. By using single case study, research strategy lead to the failure to conclude that the findings may be generalized to apply to other MNEs (Rossing, 2013) and (Klassen, Lisowsky, & Mescall, 2013). Lastly, Blouin, Robinson, and Seidman (2013) admitted that they are unable to directly observe actual transfer prices. In general, those limitations explicitly tell us that the study conducted on transfer pricing issues are still inadequate since it has not been able to present results that meet with comprehensiveness and generalizability requirement.

Besides the limitations, those studies also offer several recommendations for the transfer pricing further studies betterment. Doğan et al. (2013) has recommended to detect the transfer pricing factors such as sales of the corporation, corporation's profitability, its asset structure and its size by the instrument of published financial reports of multinational corporations.

Hence, this research will scrutinize the significance of firm profitability to transfer pricing. So that, suggestions from Doğan et al., (2013) to add new variables as transfer pricing determinants and to detect those factors by the instrument of published financial reports of multinational corporations can be answered in this research. This research will also provide non-tax factors to give more comprehensive deliberation on transfer pricing practice to answer the suggestion from Kiswanto and Purwaningsih (2015) and Chen Ye Ekström et al. (2014). Thus, this study will intensify on the firm profitability, intangible assets, firm size, and tax as the determinants of transfer pricing due to their inconsistent result. Besides,

this research will use capital structure factor in term of debt to equity ratio as a control variable to support the study. In the end, this research is able to fill the loopholes and answer the suggestions resulted from the previous studies to make transfer pricing deliberation become more comprehensive and able to be generalized.

## **1.2. PROBLEM FORMULATION**

This study aims to answer the following problem:

1. Does firm profitability influence the intensity of transfer pricing?
2. Do intangible assets influence the intensity of transfer pricing?
3. Does firm size influence the intensity of transfer pricing?
4. Does tax influence the intensity of transfer pricing?
5. Does capital structure influence the intensity of transfer pricing?

## **1.3. RESEARCH OBJECTIVES**

The purposes of this study are to:

1. Analyse the influence of firm profitability on the intensity of transfer pricing.
2. Analyse the influence of intangible assets on the intensity of transfer pricing.
3. Analyse the influence of firm size on the intensity of transfer pricing.
4. Analyse the influence of tax on the intensity of transfer pricing.
5. Analyse the influence of capital structure on the intensity of transfer pricing.

#### 1.4. RESEARCH CONTRIBUTIONS

This research is designed to give the benefits and substantially to give information for the following interested users:

1. Academicians

This study is expected to give more comprehensive understanding regarding factors influencing the transfer pricing and, additionally, it can give contribution to the applicable theories used in this study such as agency, positive accounting, and signalling theory. Furthermore, it is useful in giving references for further transfer pricing studies to give continuous improvement regarding the results.

2. The Directorate General of Taxation

This study is aimed to give relevant information to the Directorate General of Taxation (DGT) to revitalize the income tax for institutions system, including its implementation. It becomes important since many companies will try to commit in tax-avoidance motive in doing transfer pricing. In addition, this study is also expected to give valuable input for DGT to intensify the implementation of arm's length transaction by cooperating with supporting elements.

3. Company Management

This study aims at giving relevant information in evaluating the forgoing policy and strategy in order to align the company's goal with multiple stakeholders' interests.

#### 4. Investors

This study aims at providing relevant information as a basis for investment decision making by considering financial and non-financial indicators of the company so that the objectives of investors can be realized.

### 1.5. SYSTEMATICS OF WRITING

Systematics of writing is the outline of this research that will give systematic writing structure. In order to comprehend this research easily, this research is designed into following parts:

#### **CHAPTER I : INTRODUCTION**

The first chapter of this research gives the general description of the research by explaining the background of study, problem formulation, objective of the research, significance of the research, and systematics of writing.

#### **CHAPTER II: REVIEW OF RELATED LITERATURE**

The second chapter of this study encompasses the review of previous studies that can give the thorough research formation and can relate to specified theories. Those will be classified into literature review, basic theory and hypothesis formulation.

#### **CHAPTER III: RESEARCH METHOD**

The third chapter of this study focuses on the method of conducting the research including the statistical tools used which consist of population and sample determination, research variables, and data analysis methods.

#### **CHAPTER IV: DATA ANALYSIS AND DISCUSSIONS**

The fourth chapter of this study explains about the result of findings and discussion regarding the research analysis.

#### **CHAPTER V: CONCLUSIONS AND RECOMMENDATIONS**

The fifth chapter of this study is the closing section which gives conclusion regarding the whole research process and, furthermore, gives recommendation for the further studies.



## **CHAPTER II**

### **REVIEW OF RELATED LITERATURE**

#### **2.1. LITERATURE REVIEW**

##### **2.1.1. INTRODUCTION**

As the global economy expands significantly into every corner of the world, strategic action must be taken by any parties involved. As the most influential parties, multinational enterprises (MNEs) started trying their best to maximize the opportunity to exploit wide market size by operating in many countries to pursue competitive advantage (Cecchini, Leitch, & Strobel, 2013). Nevertheless, that opportunity can only be realized by well-coordinated enterprises. Cecchini et al. (2013) have stated that transfer pricing policy can help MNEs take advantage in managing costs and risks of complex international market imperfections.

Though transfer pricing is initially designed in response to firm decentralization issues, in fact, it has gone beyond from the ideality. MNE conducts intra-firm trade by involving price payments to facilitate tax avoidance through artificial inter-company transfer prices (Richardson, Taylor, & Lanis, 2013). Dealing with such kind of activities that involve cross border units has directed firms in finding a number of difficulties. According to Doğan, Deran, & Köksal (2013), one of the difficulties is in the determination of transfer pricing methods with some factors appear to be gaining prominence in that determination.

### **2.1.2. DEFINITIONS AND IMPORTANCES OF TRANSFER PRICING**

According to Holtzman and Nagel (2014), transfer pricing is inter-company pricing arrangements relating to the transactions between related business entities in terms of transfers of intellectual property, tangible goods, services, and loans or other financing transactions. In line with the previous definition, Blouin, Robinson, and Seidman (2013) defined transfer pricing as the price attached to the operations of multinational enterprises entail numerous transactions between affiliated entities located in different jurisdictions but within the same controlled group. In addition, transfer pricing can be defined as the pricing of goods exchanged between related parties to allocate incomes across affiliated entities in different tax jurisdictions (Cristea & Nguyen, 2013).

Principally, transfer pricing targets coordination (production, sales and pricing decisions of the different divisions), customer focalization—making managers aware of the value that goods and services have for other segments (internal customers) of the firm, profit orientation—allowing the company to generate profit (or cost) figures for each division separately, and performance – will affect not only the reported profit of each center, but also the allocation of organization's resources (Fernandes, Pinho, & Gouveia, 2015). In addition, transfer pricing for multinational enterprises will motivate divisional management to (i) make good sourcing decisions and (ii) take advantage of favorable tax rates (Shunko, Debo, & Gavirneni, 2013).



### **2.1.3. FACTORS INFLUENCING THE IMPLEMENTATION OF TRANSFER PRICING**

Among many different motives, the main purpose of transfer pricing is to assure optimal decision making in a decentralized organization in term of profit maximization of the organization, entirely and operationally (Fernandes et al., 2015). Transfer pricing is used to evaluate the goods and services exchanged between profit centers (divisions) of a decentralized firm.

Doğan et al. (2013) had found that legal factors, political and social factors, external economic factors, and internal economic factors are the main factors influencing transfer pricing methods. In turn, he intensively recommended to detect the relation of sales of the corporation, corporation's profitability, the sector in which it operates, its asset structure, and its size for the solution of related problems. Furthermore, factors influencing transfer pricing do not only consider about the selection of transfer pricing method but also its aggressiveness or intensity. Richardson et al. (2013) expressed that aggressive transfer pricing activity can be reflected by extensive non-arm's length transactions between related parties. In his research, he observed firm size, firm profitability, firm leverage, intangible assets, multinationality, and tax heaven utilization as the determinants. In addition, transfer pricing policy is affected by the nature of the value chain, including: the products and services that are produced; markets; environmental factors including taxes and regulations; power and dependence dynamics; resources; and governance structures including divisional relationships (Cecchini et al., 2013) and (Xiaoling Chen, Chen, Pan, & Wang, 2013).

Besides those factors, De Simone (2015) found that a unifying accounting standard across jurisdictions at the affiliate level increases the flexibility of MNEs to shift income. Equally important, Blouin, Robinson, and Seidman (2013) found that coordination plays a considerable role in the transfer pricing behaviour of Multinational enterprise that can be seen from: government coordination will give up the tax savings and when the firm itself is coordinated in settings its transfer prices, it earns more income tax savings. Lastly, according to Xiaoling Chen, Chen, Pan, & Wang (2013), transfer pricing decision is influenced by intermediate product standardization, foreign investment, tax rate difference, and the design of divisional managers' performance evaluation system. From those mentioned studies, it can be inferred that factors influencing transfer pricing are firm profitability, intangible assets, firm size, and tax.

#### **2.1.3.1. Firm Profitability**

In terms of transfer pricing, more profitable firms may adjust transfer prices to reduce (increase) profits in high-tax (low-tax) jurisdictions by considering their pre-tax income (Richardson et al., 2013). Holtzman and Nagel (2014) and Blouin, Robinson, and Seidman (2013) observed the link between affiliate profitability and tax rates and find the precise mechanisms through which multinational enterprises respond to transfer pricing incentives. In contrast, Schäfer, Petri, Gasparetto, and Mattos (2015) and Cecchini et al. (2013) stated entity profitability is heavily influenced by transfer pricing policy. So there is a contradictive indication of the cause and effect relation between firm's profitability and transfer pricing based on those studies. To

strengthen his finding, Richardson et al. (2013) gave the real example of highly-profitable firms (Apple, Google and Microsoft) that have been able to favorably locate profits in low-tax jurisdictions and increase tax deductible expenditure in high-tax jurisdictions to reduce taxable profits accordingly. Accordingly, Mohammadi, Ahmed, and Habib (2015) stated that multinational companies try to reallocate their income from higher tax jurisdictions to lower ones in order to minimize their total tax burden and maximize profit. So, there is correlation between tax avoidance and profit maximization of the company in transfer pricing practice.

Chen Ye Ekström, Dall, and Nikolajeva (2014) indicated that a corporation's image or reputation has strong relationship with firm's profitability. Related to that issue, tax avoidance by any means will ultimately cause damage to a corporation's reputation and bring threats to its legitimacy. It can be inferred that tax avoidance has negative correlation with profitability of the firm, while profitability itself will positively impact the transfer pricing. There is still a contrary findings among researchers that show the complexity of profitability factors upon transfer pricing. According to Holtzman and Nagel (2014), many decentralized organizations should determine the profitability of each subunit by considering appropriate pricing of services or product calculation of related entities.

#### **2.1.3.2. Intangible Assets**

The Section 482 regulations in Rotkowski (2015) has defined an intangible property as an asset that comprises any of the following items and

has substantial value of the services of any individual (1) patents, inventions, formulae, processes, designs, patterns, or knowhow; (2) copyrights and literary, musical, or artistic compositions; (3) trademarks, trade names, or brand names; (4) franchises, licenses, or contracts; (5) methods, programs, systems, procedures, campaigns, surveys, studies, forecasts, estimates, customer lists, or technical data; and (6) other similar items if they derive their value not from the physical attributes but from intellectual content or other intangible properties.

Intangible assets become one of the key issues regarding MNEs' related party transaction by strategically re/allocating their intangible assets to group members in low-tax jurisdictions, which then receive royalty payments from the affiliates that are located in high-tax countries (Dudar, Spengel, & Voget, 2015). Due to intangible assets' lack of well-established markets and subjective valuations, firms can exploit simultaneously in several jurisdictions through transfer pricing mechanism. Thus, according to Taylor, Richardson, and Lanis (2015) and Richardson et al. (2013), intangible assets are positive and significantly associated with transfer pricing aggressiveness. In line with Richardson's study, Dudar et al. (2015), Dawson and Miller (2015), and Mohammadi, Ahmed, and Habib (2015) also concluded that intangible assets could be used for shifting profits between affiliated companies with a goal of minimizing global tax liability of a multinational group. In addition, using Norwegian tax return data, flexibility in transfer pricing is greater for intangible goods than tangibles since arm's length prices are more difficult to be

determined for intangibles (Hopland, Lisowsky, Mardan, & Schindler, 2014). Last of all, Beer and Loeprick (2014) stated that intangible assets is significant determinants of profit-shifting activities. Therefore, those mentioned studies are consistent in deliberating the role of intangible assets affecting transfer pricing.

### **2.1.3.3. Firm Size**

Larger firms normally involve in more business activities and financial transactions than smaller firms, including wide business location. Thereby, providing additional opportunities to significantly avoid corporate taxes across different tax jurisdictions is becoming hot issues among tax authorities and any parties involved. In addition, larger firms have big amount of total assets that show the firm's maturity of long-term prospective cash flows that will lead to the firm's stability and ability to generate higher profit than smaller firms (Kiswanto & Purwaningsih, 2015).

Unsurprisingly, firm size becomes one of the determinants of transfer pricing since it has been proven by Richardson et al. (2013) and Kiswanto and Purwaningsih (2015) although they are not consistent. According to Kiswanto and Purwaningsih (2015), firm size has negative correlation with transfer pricing. One of the reasons is the tendency of large firm manager to not do profit management by doing transfer pricing, compared with manager in smaller firm because large firms will get more public attention and supervision so that they will tend to be more careful in doing financial disclosure. In line with previous explanation, Rusydi and Martani (2014) and Xiaoling Chen et

al., (2013) stated that firm size has relation and influence on aggressive tax avoidance which has strong relation with transfer pricing. It specifies that big firms tend to do tax compliance. In recent times, Director General of Tax (DGT) of Indonesia's inspection focuses more on big companies by establishing Large Tax Office (Kantor Pajak Besar).

While Davies, Martin, Parneti, and Toubal (2015), Cecchini et al. (2013) and Richardson et al. (2013) stated that firm size is positive and significantly associated with transfer pricing aggressiveness since big-sized firms tend to have substantial intercompany transactions that may have transfer pricing, tax-advantaged leasing and financing arrangements. Larger firms therefore are able to take advantage of tax arbitrage opportunities that may exist across different tax jurisdictions. Unavoidably, firm size shows inconsistent results according to those studies.

#### **2.1.3.4. Tax**

There have been massive information mentioned about the reciprocal relation between taxation issues and transfer pricing, including Klassen, Lisowsky, and Mescall (2013) who explain that more recently within the accounting, economics, and law literatures; interest in transfer prices has been used as a tool for multinational enterprises to reduce global taxes. The reason behind the strong relation between tax and transfer pricing is bigger host country tax burden will trigger multinational company to impose lower selling price between affiliates and transfer the profit to the low tax rate country to minimize tax expense and in the end, company's profit is maximized

(Kiswanto and Purwaningsih, 2015). Furthermore, tax can influence transfer pricing through tax avoidance that can be achieved by transferring goods to countries with low income tax rates at the lowest possible transfer price and by transferring goods out of these countries at the highest possible transfer price (Richardson et al., 2013). Importantly, domestic tax i.e. Indonesia Income Tax for Corporation will be used in this study as this study is being conducted in publicly-listed companies in Indonesia Stock Exchange.

Related to those issues, there have been many studies examined the domestic tax as the factors influencing transfer pricing. They are Davies et al. (2015), Kiswanto and Purwaningsih (2015), Sari and Hunar (2015), Hartati (2014), Marfuah and Azizah (2014), Blouin, Robinson, and Seidman (2013), Cecchini et al. (2013), Doğan et al. (2013), Klassen, Lisowsky, and Mescall (2013), Nurhayati (2013), and Richardson et al. (2013).

Prior researchers have examined the taxation as the determinant of transfer pricing enforcement and show inconsistent result regarding to the relation between two of them. Hartati, (2014) and Nurhayati, (2013) stated that the influence of tax is statistically significant affect transfer pricing. Additionally, tax variable gives positive relation towards transfer pricing (Davies et al., 2015), (Sari & Hunar, 2015), and (Kiswanto & Purwaningsih, 2015). Nevertheless, according to Marfuah and Azizah (2014), tax has negative correlation with transfer pricing. As said by (Cecchini et al., 2013), tax rate differential does not appear to be the major consideration for transfer pricing. Additionally, Klassen, Lisowsky, and Mescall (2013) pointed out that transfer

pricing strategies and practices are not uniform across multinational firms since there are tax and non-tax costs determine the choice of transfer pricing strategy, whether tax minimization or tax compliance. Moreover, the fact that the existence of transfer pricing networks show a strong indication that similar patterns of inter-organizational collaboration on tax matters can be found in other multinational companies pursuing a tax compliance strategy (Rossing, 2013). It indicates that tax avoidance does not merely become single reason for doing transfer pricing, but tax compliance also takes part in that decision making process.

In the end, tax can influence transfer pricing through tax avoidance and tax compliance. Chen Ye Ekström, Dall, and Nikolajeva (2014) directed that the profit maximization goal will portray the internal motive for transfer pricing manipulation in terms of globalization, tax haven, different practices of tax regulations and the difficulty to appropriately apply the arm's length principle provide external environment for multinational corporations to manipulate transfer pricing in order to avoid corporation taxes. On the other hand, multinational firms assess the efficiency of their transfer pricing practices across a variety of metrics, but that lack of disputes with tax authorities, reflecting a tax compliance strategy (Klassen, Lisowsky, and Mescall, 2013).

#### **2.1.4. SUMMARY AND IMPLICATIONS**

Among those mentioned studies above, there are some limitations and recommendations regarding to the transfer pricing and its determinants. The limitation that exist on Xiaoling Chen et al. (2013) is that their non-random sample



limit the generalizability of the findings since it cannot represent the whole population that will be used as generalization basis. While Richardson et al. (2013) expressed that the sample of the study is drawn from publicly-listed firms due to the unavailable data for private firms and the transfer pricing aggressiveness index measurement is drawn from aggregated financial data at the firm-level. Chen Ye Ekström et al. (2014) added that their paper focuses only on tax-motivated transfer pricing. In addition, using small (single) case study research strategy lead to the inability to conclude that the findings may be generalized to apply to other MNEs (Rossing, 2013) and (Klassen, Lisowsky, & Mescall, 2013).

Lastly, Blouin, Robinson, and Seidman (2013) have confessed that they are unable to directly observe actual transfer prices. In general, those limitations explicitly tell us that the study conducted on transfer pricing issues are still limited in terms of the comprehensiveness and generalizability. Besides the limitations, those studies also offer several recommendations for the transfer pricing further studies betterment. Doğan et al. (2013) recommended to detect the transfer pricing factors by using the instrument of published financial reports of multinational corporations.

For that reason, this research attempts to fill the loopholes resulted from the previous studies to make transfer pricing deliberation become more comprehensive and able to be generalized. This study will emphasize on the firm profitability, assets structure, firm size, and tax as the determinants of transfer pricing due to their inconsistent result.

Additionally, this research will also integrate the studies of firm profitability's significance to transfer pricing. So that, suggestions from Doğan et al., (2013) to add new variables as transfer pricing determinants and to detect those factors by the instrument of published financial reports of multinational corporations can be answered in this research. This research will also provide non-tax factors to give more comprehensive deliberation on transfer pricing practice to answer the suggestion from Kiswanto and Purwaningsih (2015) and Chen Ye Ekström et al. (2014).

## **2.2. THEORETICAL FRAMEWORK**

### **2.2.1. AGENCY THEORY**

Jensen and Meckling (1976) stated that the agency theory explains the relationship between the company management (the agent) and shareholders (principals). In the agency relationship, there is a contract involving one or more persons (the principal) who ordered the other person (the agent) to perform a service on behalf of the principal and authorized agent to make the best decisions for the principal. The agency problem can occur in two forms of relationships, namely; (1) between shareholders and managers, and (2) between shareholders and creditors.

Agency theory is the basis of the theory underlying the company's business practices. In the agency theory, the agency relationship arises when one or more persons (the principal) employs another person (the agent) to provide a service and then delegate decision-making authority to the agent. The relationship between the principal and the agent can lead to imbalance condition information (asymmetrical information) because the agent is in a position that has more information about the

company. Assuming that individuals act to maximize their own self-interest, then the existence of information asymmetry will encourage agents to hide some information from principal.

Agents that were given the authority to manage the assets of the company have an incentive to do transfer pricing with the aim of lowering taxes to be paid. Transfer pricing transactions can occur on the divisions within the company, among local companies, or local companies with existing companies overseas.

In the context of a multinational enterprise, it can be subdivided in several ways based on its activities, business processes, legal entities, product line entities, and resources. Each of the entities within the firm can buy and sell to one another. Each entity has its own managerial responsibilities, such as maximization of resource utilization, product line profit, overall company profit, cost reduction, and risk minimization (Cecchini et al., 2013). According to the Statement of Financial Accounting Standards (SFAS) No. 7 in 2010, the parties are related if one party has the ability to control the other party or exercise significant influence over the other party in making decisions. Transactions between the parties related is a transfer of resources or obligations between the parties related, regardless of whether a price calculated.

Agency theory predicts that the misalignment of interests between shareholders and managers could lead to agency problems, that is, managers engage in activities for their own benefits rather than the benefits of the firm's shareholders (Chen, Lu, & Sougiannis, 2012). It is in line with Xiaoling Chen et al. (2013) who stated that divisional autonomy in transfer pricing is influenced by factors that

reflect information asymmetry between the top management of the firm and the divisional managers such as intermediate product standardization, foreign investment, and tax rate difference between divisions. A well-documented agency problem is managerial “empire building”, which refers to managers’ tendencies to grow the firm beyond its optimal size or to maintain unutilized resources with the purpose of increasing personal utility from status, power, compensation, and prestige (Hope & Thomas, 2008; Masulis, Wang & Xie, 2007; Stulz, 1990; and Jensen, 1986).

Based on the above statement, it can be concluded that: First, the transfer pricing may occur between companies or between divisions that have special relationship. It is used as an opportunistic transactions in respect to the related party transactions that may lead to the presence of conflict of interest that is consistent with agency theory (Jensen & Meckling, 1976). Second, the incidence of agency problems occur because there are parties who have different interests, but work together and cooperate with each other in the division of different tasks. Agency conflict could harm the principal (owner) because the owner was not involved directly in the management of company. In addition, principal also do not have access to adequate information on company’s operational activities. Moreover, as the agent, management is authorized to manage the assets of the company and therefore have an incentive to transfer pricing with the aim of lowering taxes to be paid.

### 2.2.2. POSITIVE ACCOUNTING THEORY

Positive accounting theory is often associated in the discussion of earnings management. Positive accounting theory explains the factors that influence the management in selecting the optimal accounting procedures and has a specific purpose. According to the positive accounting theory, accounting procedures used by the company should not be the same as the others, but the company is given the freedom to choose one of the alternative procedures available to minimize costs and maximize the value of the firm contract. Given that freedom, then according to Scott (2000) managers have a tendency to commit an act which, according to positive accounting theory named as an act opportunistically (opportunistic behaviour). So, opportunistic action is taken by the company in selecting accounting policies that could benefit the company and maximize satisfaction.

There are various motivations that encourage profit management. Positive accounting theory proposed three hypotheses motivation of earnings management that are connected by opportunistic actions undertaken by the company (Watts & Zimmerman, 1986). Three bonus plan hypotheses according to Watts and Zimmerman (1986) can be explained as follows:

#### **a. The Bonus Plan Hypothesis**

This hypothesis states that companies using the bonus plan would be likely to use accounting methods that can increase reported earnings in the current period. This is done to maximize the bonus they will get because of the extent of the profit generated is often used as the basis for measuring the success of the performance. If the amount of the bonus depends on the profits, the

company can increase the bonus to increase profits as high as possible. Thus, the company that has a policy of bonuses based on accounting earnings, will tend to choose accounting procedures that increase profitability for the year.

**b. The Debt Covenant Hypothesis**

This hypothesis is consistent with the requirements that company must meet in its debt covenants. Most of the debt covenants have requirements that must be met by borrowers during the life of the agreement. It also happens in the case when the company began to approach a breach of the debt covenants, then the company will try to avoid debt covenants by selecting the accounting methods that increase profitability. Violations of the debt covenants may incur an expense and hinder the performance of management. Subsequently, as to increase its profit, company seeks to prevent or at least delay it.

**c. The Political Cost Hypothesis**

This hypothesis states that the greater the political costs faced by the company, the greater the tendency of companies to use accounting choices that could lower profits, because the company that has a high profit rate will receive extensive attention from consumers and the media will also attract the attention of the government and the regulator thus causing political costs, including emerging government intervention, the imposition of higher taxes, and various other demands which can increase the political costs.

From the definition above, the researcher can see the relationship of positive accounting theory with this research. As has already been described, in a positive accounting theory, there are various motivations that encourage profit management.

One of the motives related to the change in corporate income tax rate is political regulation that is the motivation of management in order to anticipate the various government regulations to manipulate earnings by lowering the reported earnings so that the taxes it pays will be small.

### **2.2.3. SIGNALING THEORY**

Signaling theory states that the good quality company would deliberately give a signal to the market, so the market is expected to differentiate good and bad quality (Hartono, 2005). Companies that publishes audited financial statements will provide information to the market and, subsequently, the expected market can respond to information as a signal that is good or bad.

The signal given to the public markets will affect the stock market, especially the stock price of the company. If the signal indicates good news to inform the company on the market, it can boost the share price. On the contrary, if the signal indicates bad news, the company's stock price will decline.

As stated by Mohammadi, Ahmed, and Habib (2015), multinational companies try to reallocate their income from higher tax jurisdictions to lower ones in order to minimize their total tax burden and maximize profit. That is one of the signal that is issued by the company to give the good news in terms of high profit stated in the income statement in its annual report to indicate that the company can sustain and ensure its future. This kind of information is directed for the outsiders especially for shareholders, investors, and creditors' business.

## **2.3. HYPOTHESIS FORMULATION**

### **2.3.1. FIRM PROFITABILITY AND TRANSFER PRICING**

Firm performance can be measured in different ways and by applying various methods. The commonly used method for financial analysis is the use of profitability ratios as key measures of firms' overall efficiency and performance (Niresh & Velnampy, 2014). Profitability means ability to make profit from all the business activities of an organization, company, firm, or an enterprise. It shows how efficient the management can make profit by using all the resources available in the market (Innocent, Mary, & Matthew, 2013).

Signaling theory states that the good quality company would purposefully give a signal to the market in terms of profitability presented in annual report as one of the indicators since it will influence in terms of shareholders' expectation. An MNE group that is publicly held may feel the pressure from shareholders to show high profitability at the parent company level. Simultaneously, company's profitability will have impact on its effort in giving the signal for the interested outsiders such as investors, creditors, etc. In terms of transfer pricing, more profitable firms may alter transfer prices to reduce reported profits in high-tax jurisdictions by considering their pre-tax income. In addition, Rego (2003) stated that firms with high profit before tax are more likely to avoid the taxable income taxes paid. Consecutively, more profitable firms will increase profits in low-tax jurisdictions. The objective is to minimize their total tax burden and maximize profit. In addition, Holtzman and Nagel (2014) pointed out that many decentralized



organizations should determine the profitability of each subunit by considering appropriate pricing of services or product calculation of related entities.

Study by Richardson et al. (2013), Holtzman and Nagel (2014) and Blouin, Robinson, and Seidman (2013) observed the link between affiliate profitability and tax rates and found the positive correlation through which multinational enterprises respond to transfer pricing incentives. Thus, to formally test the impact of firm profitability on transfer pricing, the following hypothesis is developed:

*H<sub>1</sub> : There is a positive relation between firm profitability and the intensity of transfer pricing.*

### **2.3.2. INTANGIBLE ASSETS AND TRANSFER PRICING**

The OECD (2010) defined intangible property as the right to use industrial property (e.g. patents, trademarks, trade names, design, and models). It also encompasses literary and artistic property rights and intellectual property rights (e.g. know-how and trade secrets). In this case, commercial intangibles consist of marketing intangibles and trade intangibles.

The bonus plan hypothesis in positive accounting theory states that companies using the bonus plan would be likely to use accounting methods that can increase in reported earnings in the current period. Since intangible assets are difficult to value, the transfer of payments (i.e. the royalties attributed to intangibles) are also difficult to value at arm's length prices. It is estimated that the company that has a policy of bonuses based on accounting earnings, will tend to choose accounting procedures that increase profitability for the year. Multinational enterprises are strategically re/allocating their intangible assets to group members

in low-tax jurisdictions, which then receive royalty payments from the affiliates that are located in high-tax countries (Dudar et al., 2015). Another reason is that intangible assets is lack of well-established markets and they have tendency to have subjective valuations, therefore firms can exploit simultaneously in several jurisdictions through transfer pricing mechanism as an opportunistic behavior.

According to Taylor, Richardson, and Lanis (2015) and Richardson et al. (2013), intangible assets are significant-positively associated with transfer pricing aggressiveness. Additionally, Dudar et al. (2015), Dawson and Miller (2015), Mohammadi, Ahmed, and Habib (2015), Beer and Loeprick (2014), and Hopland, Lisowsky, Mardan, and Schindler (2014) also concluded that intangible assets could be used for shifting profits between affiliated companies with a goal of minimizing global tax liability of a multinational group. Thus, to formally test the impact of intangible assets on transfer pricing, the following hypothesis is developed:

*H<sub>2</sub> : There is a positive relation between intangible assets and the intensity of transfer pricing.*

### **2.3.3. FIRM SIZE AND TRANSFER PRICING**

The size of a firm plays a significant role in determining the type of relationship the firm enjoys within and outside its operational environment. The larger a firm is, the greater the influence it has on its stakeholders. The size of a firm is the amount and variety of production capacity and ability a firm possesses or the amount and variety of services a firm can provide concurrently to its customers (Niresh & Velnampy, 2014).

Within agency theory, the misalignment of information between agents and principals in running business operations could lead to the agency problems. Managers tend to grow the firm beyond its optimal size or to maintain unutilized resources with the purpose of increasing personal utility from status, power, compensation, and prestige (Hope & Thomas, 2008; Masulis, Wang & Xie, 2007; Stulz, 1990; and Jensen, 1986). It is because agents were given the full authority to manage the assets of the company that has an incentive to do transfer pricing with the aim of lowering taxes to be paid. As the firm is getting bigger, the access of finance stream from creditors or other sources will be easier, therefore, agency costs will increase accordingly (Refra & Wdiastuti, 2014).

Additionally, bigger firms will have a tendency to have significant amount of intercompany transactions that may have transfer pricing and/or thin capitalization implications, tax-advantaged leasing and financing arrangements, and complex stream through entities (Richardson et al., 2013). Since larger firms have some subsidiaries in some countries, they therefore are able to take advantage of tax arbitrage opportunities that may exist across different tax jurisdictions. It is in line with Lusiyani (2014) who stated that management as an agent has the authority to manage the assets of the company so that it can perform the transfer pricing to reduce the burden of tax paid to the state.

Davies, Martin, Parneti, and Toubal (2015), Cecchini et al. (2013) and Richardson et al. (2013) stated that firm size is positive and significantly associated with transfer pricing aggressiveness since big-sized firms tend to conduct substantial related-parties transactions that may have transfer pricing to maximize

corporate profit. Thus, to formally test the impact of firm size on transfer pricing, the following hypothesis is developed:

*H<sub>3</sub> : There is a positive relation between firm size and the intensity of transfer pricing.*

#### **2.3.4. TAX AND TRANSFER PRICING**

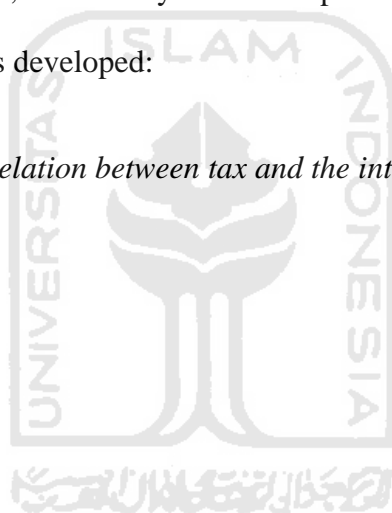
According to the Indonesia Taxation Law (Law No. 36 of 2008), tax is: "Mandatory contributions to the state owed by the individual or entity that is enforceable under the Act - legislation, by not getting the rewards directly and used for the purposes of state for the welfare of the people". While Hartati (2014) defined tax as a mandatory (enforceable) paid under the Act – legislation that does not have direct feedback and is used to finance the government spending to achieve the society welfare.

In positive accounting theory, particularly on political cost hypothesis, the company is given the freedom to choose one of the alternative procedures available to minimize costs as a form of opportunistic behaviour. Related to political cost, the greater the political costs faced by the company, the greater the tendency of companies to use accounting choices that could lower profits, because the company that has a high profit rate will receive extensive attention from consumers and the media will also attract the attention of the government and the regulator thus causing political costs, including emerging government intervention, the imposition of higher taxes, and various other demands which can increase the political costs. That is the reason behind the strong relation between tax and transfer pricing. Bigger tax burden will trigger multinational company to impose lower selling price

between affiliates and transfer the profit to the low tax rate country to minimize tax expense and eventually company's profit will be maximized (Kiswanto & Purwaningsih, 2015).

A research conducted by Hartati, (2014) and Nurhayati, (2013) stated that the influence of tax statistically significant affects transfer pricing. Consistently, tax variable gives positive relation towards transfer pricing (Davies et al., 2015), (Sari & Hunar, 2015), (Kiswanto & Purwaningsih, 2015), and (Chen Ye Ekström, Dall, & Nikolajeva, 2014). Thus, to formally test the impact of tax on transfer pricing, the following hypothesis is developed:

***H<sub>4</sub>*** : *There is a positive relation between tax and the intensity of transfer pricing.*



## **CHAPTER III**

### **RESEARCH METHOD**

#### **3.1. TYPE OF STUDY**

This research is classified as a quantitative-secondary study since this study use numerical data which will be used into useable statistics. In addition, it also quantifies the variables using data from the sample population; as well as using data presented by other parties. The data then will be reused and analysed for different purpose as the secondary data.

#### **3.2. POPULATION AND SAMPLE**

The population of this research is all companies listed on the Indonesia Stock Exchange for the fiscal year of 2011 until 2015. The population of this research is not limited on the manufacturing companies since there are other business sectors which companies operate such as service and merchandising sectors. Those companies are more likely to have significant amount of transaction and interaction with the society and other parties both domestic and foreign parties.

Sampling method that will be done in this study is using purposive sampling. Purposive sampling method is used by considering the specific characteristics established by researchers with the following criteria:

1. This study uses the all companies listed in Indonesia Stock Exchange (IDX) for the fiscal year of 2011 until 2015 except for financial institutions (banking, financing, investment, insurance, and others). Those companies are selected since they have relatively comparable elements in their

financial statements with the exception of financial companies. Additionally, it is done as an effort to support the generalizability of the result.

2. Companies reported annual report and financial statements during the fiscal year of 2011 – 2015.
3. The companies have intangible assets in their statement of financial position during the fiscal years of 2011 – 2015.
4. The companies do not suffer losses during the observation period (2011-2015). This is because companies that suffered losses do not have a tax liability at the corporate level tax so the motivation of doing transfer pricing is irrelevant.

### **3.3. SOURCES AND DATA COLLECTION METHOD**

This study employs secondary data by using company's annual report particularly on financial statements listed in Indonesia Stock Exchange (IDX) from 2011 – 2015 and other information related to this study that can be accessed in each company's official website. The data obtained from the Indonesian Capital Market Directory (ICMD) as well as the Indonesia Stock Exchange official website at [www.idx.co.id](http://www.idx.co.id).

Data collection method used in this research is the documentation which use the data derived from documents that have already been existed and provided. This is done by collecting, recording and counting data relating to the research on the secondary data from annual reports of the sample.

### 3.4. RESEARCH VARIABLES

#### 3.4.1. DEPENDENT VARIABLE

The dependent variables in this study is transfer pricing (RPT). The measurement of the variable will be explained as follows:

##### 3.4.1.1. TRANSFER PRICING (RPT)

Dependent variable is the main variable which becomes the focus of the study. It will be explained regarding its variability and predicted by the researcher to find the answer or solution to the problem (Sekaran, 2006). In this research, dependent variable that will be used is transfer pricing. Transfer pricing is measured using related party transaction (RPT) proxy. Under SFAS no. 7, RPT is defined as a transfer of resources or obligations between the parties related, regardless of whether a price calculated. Related party transactions in this study is the buying and selling transactions among related parties.

Transfer pricing is measured using the following measurement:

##### a. RPT Dummy Variable

Related party transaction (RPT) is measured using dichotomy approach by identifying the existence and occurrence of the sales to related parties. Companies that make sales to related parties are rated 1 and which are not are rated 0 (Yuniasih, Rasmini, and Wirakusuma, 2012).

***Related Party Sales = 1***

***No Related Party Sales = 0***



b. RPT Ratio

Related party transactions (RPT) is also measured using RPT ratio. This ratio is used to measure transfer pricing by comparing related parties receivables with the total receivables owned by companies.

$$RPT\ Ratio = \frac{RPT\ Receivables}{Total\ Receivables}$$

### 3.4.2. INDEPENDENT VARIABLES

The independent variables are variables that affect the dependent variable either positively or negatively (Sekaran, 2006). The independent variables in this study are the firm's profitability (PROFIT), intangible assets (TANG), firm size (SIZE), tax (TAX), and capital structure (CAP) as a control variable. The measurement of each variable will be explained as follows:

#### 3.4.2.1. FIRM PROFITABILITY

Profitability could be referred to an ability to make profit from all the business activities of an organization, company, firm, or an enterprise. The process will encompass on how efficient the management can make profit by using all the resources available in the market. Firm profitability becomes the commonly used method for financial analysis in determining firm performance and overall efficiency (Niresh & Velnampy, 2014).

In this research, the firm profitability is measured as Return on Assets (ROA) to indicate the profitability on the assets of the firm (after all expenses and taxes), Return on Equity (ROE) to indicate the profitability to the shareholders of the firm (after all expenses and taxes), and Net Profit Margin

(NPM) to indicate the firm's profitability after taking account of all expenses and income taxes.

$$\text{Return on Assets} = \frac{\text{Net Profit after Tax}}{\text{Total Assets}}$$

$$\text{Return on Equity} = \frac{\text{Net Profit after Tax}}{\text{Total Equity}}$$

$$\text{Net Profit Margin} = \frac{\text{Net Profit after Tax}}{\text{Total Sales}}$$

#### 3.4.2.2. INTANGIBLE ASSETS

Assets are resources owned by the company for the use in its operations. The Section 482 regulations in Rotkowsky (2015) defined an intangible property as an asset that comprises any of the following items (1) patents, inventions, formulae, processes, designs, patterns, or knowhow; (2) copyrights and literary, musical, or artistic compositions; (3) trademarks, trade names, or brand names; (4) franchises, licenses, or contracts; (5) methods, programs, systems, procedures, campaigns, surveys, studies, forecasts, estimates, customer lists, or technical data; and (6) other similar items if they derive their value not from the physical attributes but from intellectual content or other intangible properties. In this research, the proxy used is the logarithm of intangible assets stated in company's financial statement within statement of financial position section, including what stated in notes to financial statement which contain the specific forms of intangible assets.

$$= \log(\text{Intangible Assets})$$

### 3.4.2.3. FIRM SIZE

The size of a firm is the amount and variety of production capacity and ability a firm possesses or the amount and variety of services a firm can provide concurrently to its customers (Niresh & Velnampy, 2014). In other words, firm size is an indicator for a condition or characteristic of an organization or a company using several parameters that can be used to determine the size of a firm. In this research, the logarithm of total assets and total sales owned by enterprise will be used as the proxy of firm size.

$$\mathbf{Firm\ Size = \log(Total\ Assets)}$$

### 3.4.2.4. INDONESIA CORPORATE TAX

According to the Indonesian Taxation Law (Law No. 36 of 2008), tax is: "Mandatory contributions to the state owed by the individual or entity that is enforceable under the Act - legislation, by not getting the rewards directly and used for the purposes of state for the welfare of the people". In this research, tax will be measured using corporation effective tax rate that is generated from the comparison of tax expense deducted by deferred tax expense and then divided by taxable income (Yuniasih, Rasmini, & Wirakusuma, 2012).

$$\mathbf{Effective\ Tax\ Rate = \frac{Income\ Tax\ Expense - Deferred\ Tax\ Expense}{Profit\ before\ income\ tax}}$$

### 3.4.3. CONTROL VARIABLE

#### 3.4.3.1. CAPITAL STRUCTURE

We include Capital Structure (CAP) as a control variable in our base regression model. Capital structure variable, measured by the debt to equity ratio, is included as control variables in the base regression model because it is possible that leverage may act as a substitute to transfer pricing aggressiveness in terms of achieving reduced group tax liabilities (Richardson, Taylor, & Lanis, 2013). In simpler words, it shows the extent to which the firm is financed by debt. If one entity has no alternative other than to sell inside the organization to another entity, it has little leverage in any transfer price negotiation compared to an entity that has other options to sell its intermediate product (Cecchini, Leitch, & Strobel, 2013).

$$\text{Debt to Equity} = \frac{\text{Total Debt}}{\text{Shareholders' Equity}}$$

### 3.5. DATA ANALYSIS METHOD

#### 3.5.1. DESCRIPTIVE STATISTICS

Descriptive statistics provides a description of data perceived from the average (mean), standard deviation, variance, maximum, minimum (Ghozali, 2006). Consecutively, variables in this study will be explained using descriptive statistical. Additionally, descriptive statistics will also provide numerical measures that are important to the sample data. Descriptive statistics is being conducted using SPSS 20.

### 3.5.2. PATH ANALYSIS

Partial Least Squares is used in this research because this analysis method is powerful in predicting certain model under certain theories development (Ghozali, 2006). It is chosen since some variables in this research contain more than one indicators. Specifically, this research uses formative indicator to represent the composite measures that are used in various economics literatures. It is believed that there is no correlation among indicators. For that reason, there is no need to use internal reliability consistency measure (Cronbach alpha) to test the formative construct reliability.

In short, the formal model is defining latent variables through aggregate linear from their indicator(s). Weight estimate that is used to latent variable score component can be based on how inner model (structural model to relate among latent variables) and how outer model (correlation between indicator and its latent variable) are specified. Lastly, using Partial Least Square method, bootstrapping will be also used to do resampling in order to give more representative sample. This analysis will be conducted by using SmartPLS 2.0.

### 3.5.3. DETERMINATION COEFFICIENT ( $R^2$ )

Determination Coefficient is used to identify how far the change or variation of a variable can be explained by the change or variation on the other variables (Santosa & Ashari, 2005). The value of  $R^2$  is on the interval of  $0 < R^2 < 1$ . The value of  $R^2$  could be generated from the following formula:

$$R^2 = (r^2) \times 100\%$$

Where:

$R^2$  = Determination coefficient

$r^2$  = Correlation coefficient

### 3.5.4. RESEARCH MODEL

The following equations reflect hypothesis testing to test the influence of firm profitability, intangible assets, firm size, tax, and capital structure on transfer pricing. Hypothesis formulation in this research can be denoted using regression model as follows:

$$RPT = f(\text{PROFIT}, \text{TANG}, \text{SIZE}, \text{TAX}, \text{CAP})$$

$$RPT = \beta_0 + \beta_1 \text{PROFIT} + \beta_2 \text{TANG} + \beta_3 \text{SIZE} + \beta_4 \text{TAX} + \beta_5 \text{CAP} + \varepsilon \dots (3.1.)$$

Where:

RPT : Related Party Transaction (Transfer Pricing)

$\beta_0$  : Constanta

$\beta_i$  : Coefficient of independent variables

PROFIT : Firm profitability

TANG : Intangible Assets

SIZE : Firm size

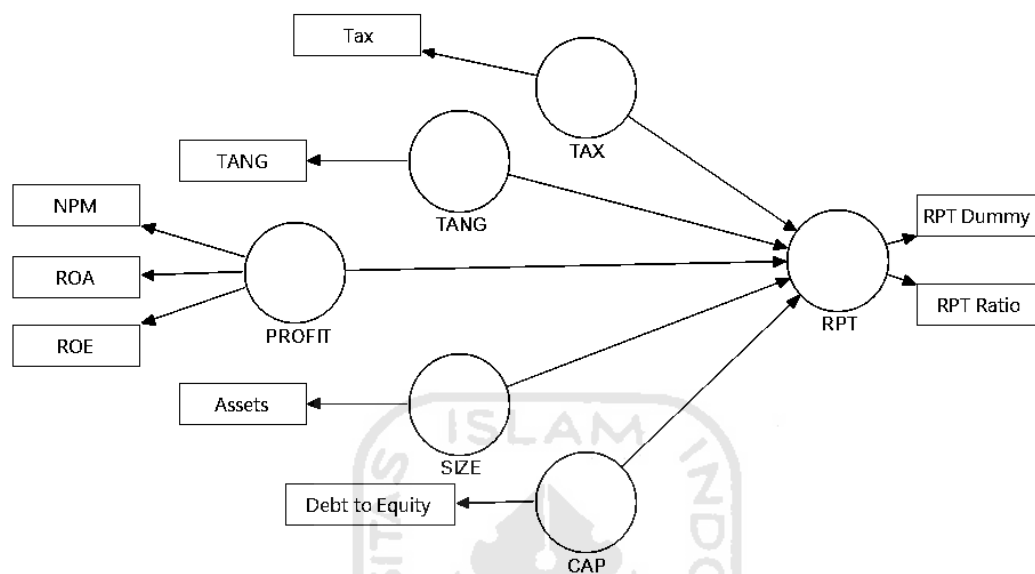
TAX : Indonesia Corporate Tax

CAP : Capital Structure

$\varepsilon$  : the error term

Figure 3.1

## Research Model



As shown in Figure 3.1., transfer pricing as measured by RPT dummy and RPT ratio is influenced by five factors. First factor is tax which is measured by effective rate of Indonesia corporate tax. Followed by second determinant that is logarithm of intangible assets as a measurement of intangible assets owned by companies. Third factor is profitability which has net profit margin, return on assets, and return on equity as its measurement. Fourth, firm size is measured by defining logarithm of total assets owned by companies. Fifth variable is capital structure which is denoted by debt to equity ratio as its measurement in influencing transfer pricing intensity.

### 3.5.5. HYPOTHESIS TESTING

Hypothesis Testing is used to test whether the independent variables have influence on dependent variable. Hypothesis will be tested using significance level

of five per cent ( $\alpha=5\%$ ). In order to determine whether hypothesis is proved or not, it can be done by referring to its probability value. If the significance probability value is  $\leq 5\%$ , the hypothesis is rejected. Conversely, if the significance probability value is  $> 5\%$ , the hypothesis is supported.

**1. *There is a positive relation between firm profitability and transfer pricing.***

$H_{01} : \beta_1 \leq 0$  : Firm profitability does not influence transfer pricing positively.

$H_{A1} : \beta_1 > 0$  : Firm profitability influences transfer pricing positively.

Hypothesis 1 is proved if the testing of the influence of firm profitability on transfer pricing at the significance of statistical value  $< 0.05$ , T-statistic of  $> 1.96$  and  $\beta_1$  coefficient has positive value ( $> 0$ ).

**2. *There is a positive relation between intangible assets and transfer pricing.***

$H_{02} : \beta_2 \leq 0$  : Intangible assets do not influence transfer pricing positively.

$H_{A2} : \beta_2 > 0$  : Intangible assets influence transfer pricing positively.

Hypothesis 2 is proved if the testing of the influence of intangible assets on transfer pricing at the significance of statistical value  $< 0.05$ , T-statistic of  $> 1.96$  and  $\beta_2$  coefficient has positive value ( $> 0$ ).

**3. *There is a positive relation between firm size and transfer pricing.***

$H_{03} : \beta_3 \leq 0$  : Firm size does not influence transfer pricing positively.

$H_{A3} : \beta_3 > 0$  : Firm size influences transfer pricing positively.



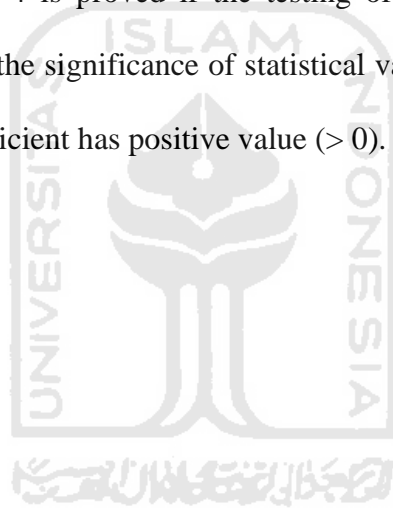
Hypothesis 3 is proved if the testing of the influence of firm size on transfer pricing at the significance of statistical value  $< 0.05$ , T-statistic of  $> 1.96$  and  $\beta_3$  coefficient has positive value ( $> 0$ ).

**4. *There is a positive relation between tax and transfer pricing.***

$H_{04} : \beta_4 \leq 0$  : Tax does not influence transfer pricing positively.

$H_{A4} : \beta_4 > 0$  : Tax influences transfer pricing positively.

Hypothesis 4 is proved if the testing of the influence of tax on transfer pricing at the significance of statistical value  $< 0.05$ , T-statistic of  $> 1.96$  and  $\beta_4$  coefficient has positive value ( $> 0$ ).



## CHAPTER IV

### DATA ANALYSIS AND DISCUSSIONS

#### 4.1. GENERAL EXPLANATION OF RESEARCH OBJECT

This research is aimed to analyse the influence of firm profitability, intangible assets, firm size, tax, and capital structure on transfer pricing. This study is focused on examining companies listed in Indonesia Stock Exchange (IDX) for the period of 2011-2015. By using purposive sampling method, it can be inferred that there are 259 sample companies out of the total of 537 listed companies. The criteria of sampling in table 4.1 are as follows:

**Table 4.1**  
**The Selection of Sample**

<b>NO.</b>	<b>CRITERIA</b>	<b>SHORTLISTED COMPANIES</b>
1.	Companies listed in Indonesia Stock Exchange for the period of 2011-2015.	537
2.	Companies that just listed in IDX in 2016.	(9)
3.	Banking, financing, investment, insurance, and other financial companies.	(92)
4.	The companies do not have intangible assets in their statement of financial position during 2011 – 2015.	(160)
5.	The companies which suffer losses during the observation period (2011 – 2015).	(17)
	<b>Total Companies</b>	<b>259</b>

## 4.2. DESCRIPTIVE STATISTICS ANALYSIS

Descriptive statistics analysis is used to give the depiction and description of the data. This analysis is represented by referring to minimum value, maximum value, mean, and standard deviation. The result of descriptive statistics in this research can be seen in table 4.2 below:

**Table 4.2**  
**Descriptive Statistics Analysis**

	N	Minimum	Maximum	Mean	Std. Deviation
RPT Dummy	259	0	1	.68	.468
RPT Ratio	259	.00000	.98759	.1605961	.25277154
TANG	259	5.95424	13.46035	10.4099192	1.23397522
TAX	259	-1.2700	.9800	.238431	.2251034
SIZE	259	11.0229	14.3899	12.532315	.6732035
ROE	259	-4.4311	1.2581	.126133	.3209391
NPM	259	.0003	45.0869	.516800	3.4932854
ROA	259	.00005	.61008	.0759762	.08347358
CAP	259	-73.87883	8.84759	.7007126	5.60279578
Valid N (listwise)	259				

### a. Transfer Pricing (RPT Dummy and RPT Ratio)

During the period of 2011 – 2015, there are 176 out of 259 companies which have related party sales transaction(s) which are measured using RPT sales dummy variable. It can be seen from the mean of 0.68 from the 259 samples. Additionally, to make transfer pricing measurement become more comprehensive, RPT ratio is also used by comparing related party receivable with the total receivable owned by company. The result shows that the mean is 0.1605961. It indicates that around 16 per cent of company's receivable are

highly correlated with the sales and other transactions with related party for companies listed in IDX during 2011 – 2015. According to the analysis, RPT ratio has 0.25277129 of standard deviation which indicate that the data are relatively dispersed. It can be seen from the difference between the lowest and highest RPT ratio which is quite high at 0.98759 and the lowest ratio shown by 92 companies with 0 per cent and the highest ratio is entitled to PT Samindo Resources Tbk. (MYOH) with 98.759 per cent. In general, transfer pricing ratio is heterogeneous data since its standard deviation (0.25277129) is higher than the mean (0.1605961).

**b. Intangible Assets (TANG)**

During the period of 2011 – 2015, among 259 companies which have intangible assets in their statement of financial position, the mean is 10.4099197. It indicates the average intangible assets owned by the companies listed in IDX for 2011 – 2015 is as much as Rp25.699.205.667. According to the analysis, intangible assets have 1.23397537 standard deviation which indicate the data are much dispersed. It can be seen from the difference between the lowest and highest log of intangible assets is quite high at 7.50611 as the lowest value is shown by Tri Banyan Tirta Tbk. (ALTO) with Rp900,000 (5.95424) and the highest value is entitled to Jasa Marga Tbk. (JSMR) with Rp28.863.638.206.000 (13.46035). In general, intangible assets are categorized as homogeneous data since its standard deviation (1.23397537) is lower than the mean (10.4099197).

**c. Indonesia Corporate Tax (TAX)**

During the period of 2011 – 2015, it can be seen that the mean of effective tax rate for companies in Indonesia is 0.2386. It indicates the average effective income tax rate paid by the companies listed in IDX for 2011 – 2015 is as much as 23.86 per cent from the taxable income. Furthermore, it also has 0.22495 for its standard deviation which indicate that the data are reasonably dispersed. Accordingly, the difference between the lowest and highest effective tax ratio show high variation in a distribution at 2.2518 and the lowest value is shown by PT Golden Plantation Tbk. (GOLL) with the rate of -1.27 while the highest value is entitled to Hanson International Tbk. (MYRX) with the rate of 0.98 of its effective tax paid. Subsequently, effective tax rate is categorized as homogenous data since its standard deviation (0.22495) is lower than the mean (0.2386).

**d. Firm Size (SIZE)**

During the period of 2011 – 2015, it can be seen that the mean of total assets in companies is 12.532313. It indicates the average total assets owned by the companies listed in IDX for 2011 – 2015 is as much as Rp3.406.536.134.216. Moreover, they also have 0.6732043 of standard deviation which indicate that the data are rather not dispersed. Accordingly, the difference between the lowest and highest value show low variation in a distribution at 3.3670 and the lowest value is shown by PT Centratama Telekomunikasi Indonesia Tbk. (CENT) with Rp105.416.183.403 (11.0229) while the highest value is entitled to Astra International Tbk. (ASII) with

Rp245.435.000.000.002 (14.3899) of its natural logarithm of total assets. Subsequently, total assets are categorized as homogenous data since its standard deviation (0.6732043) is lower than its mean (12.532313).

**e. Firm Profitability**

**i. Return on Assets (ROA)**

During the period of 2011 – 2015, it can be seen that the mean of ROA in companies is 0.0759765. It indicates the average of the profitability on the assets of the firm (after all expenses and taxes) is 7.59%. Moreover, they also have 0.08347393 of standard deviation which indicate that the data are quite dispersed. Accordingly, the difference between the lowest and highest ROA ratio shows high variation in a distribution at 0.61004 and the lowest value is shown by Hanson International Tbk. (MYRX) with 0.00005 whereas the highest value is entitled to First Media Tbk. (KBLV) with 0.61008 of ROA ratio. Consequently, ROA is categorized as heterogeneous data since its standard deviation (0.08347393) is higher than its mean (0.0759765).

**ii. Return on Equity (ROE)**

During the period of 2011 – 2015, it can be seen that the mean of ROE in companies is 0.126133. It indicates the average of the profitability to the shareholders of the firm (after all expenses and taxes) is 12.61%. Moreover, they also have 0.3209416 of standard deviation which indicate that the data are dispersed. Accordingly, the difference between the lowest and highest ratio show high variation in a distribution at 5.6892 and the

lowest value is shown by ICTSI JASA PRIMA Tbk. (KARW) with -4,4311 while the highest value is entitled to Unilever Indonesia Tbk. (UNVR) with 1.2581 of ROE ratio. Subsequently, ROE is categorized as heterogeneous data since its standard deviation (0.3209416) is higher than its mean (0.126133).

### iii. Net Profit Margin (NPM)

During the period of 2011 – 2015, it can be seen that the mean of NPM in companies is 0.516800. It indicates the average of the firm's profitability after taking account all expenses and income taxes is 51.68%. Moreover, they also have 3.4932856 of standard deviation which indicate that the data are substantially dispersed. Accordingly, the difference between the lowest and highest value show high variation in a distribution at 45,0866 and the lowest value is shown by Aneka Tambang (Persero) Tbk. (ANTM) and Elang Mahkota Teknologi Tbk (EMTK) with 0.0003 each whereas the highest value is entitled to PT Indoritel Makmur Internasional Tbk. (DNET) with 45.0869 of NPM ratio. Consequently, NPM is categorized as heterogeneous data since its standard deviation (3.4932856) is higher than its mean (0.516800).

### f. Debt to Equity (CAP)

During the period of 2011 – 2015, it can be seen that the mean of CAP in companies is 0.7007131. It indicates that the average of 7% of companies' equity is financed by debt. Moreover, they also have 5.60279582 of standard deviation which indicate that the data are reasonably dispersed. Accordingly,

the difference between the lowest and highest debt to equity ratio shows high variation in a distribution at 82.72643 where the lowest value shown by Renuka Coalindo Tbk. (SQMI) with -73.87883 whereas the highest value is entitled to Delta Dunia Makmur Tbk. (DOID) with 8.84759 of debt to equity ratio. Consequently, it is categorized as heterogeneous data since its standard deviation (5.60279582) is higher than its mean (0.7007131).

### 4.3. HYPOTHESIS TESTING

After conducting partial least square algorithm using SmartPLS 2.0, the next step is analyse the correlation among variables to test the hypothesis that have been formulated. The result of inner weights that shows the relation of correlation or the power of estimation among latent variables based on substantive theory (Ghozali & Latan, 2012) can be seen in Table 4.3 below.

**Table 4.3**  
**Results for Inner Weights**

	Original Sample Estimate	Mean of Subsamples	Standard Deviation	T-Statistic	p-value
Tax -> Transfer Pricing	-0.150	-0.148	0.014	10.870	0.0000
Size -> Transfer Pricing	0.101	0.102	0.026	3.842	0.0001
Profit -> Transfer Pricing	0.111	0.112	0.013	8.488	0.0000
Tang -> Transfer Pricing	-0.083	-0.087	0.021	3.924	0.0001
Capital Structure -> Transfer Pricing	-0.032	-0.033	0.011	3.037	0.0013

Based on the results of inner weights on the table 4.3 above, it can be derived into the following model function:

$$RPT = 0.111PROFIT - 0.083TANG + 0.101SIZE - 0.150TAX - 0.032CAP$$



#### **4.3.1. Firm Profitability positive and significantly influences transfer pricing.**

Based on the analysis that has been conducted, the original sample estimate shows the value of 0.111 for the relation between firm profitability with transfer pricing. It indicates that there is a positive relation between firm profitability – return on equity, return on assets, and net profit margin – and transfer pricing. In addition, it also shows 0.0000 ( $< 0.05$ ) for its p-value and 8.488 ( $> 1.96$ ) for its T-statistic which means that the firm profitability influences transfer pricing significantly. According to the hypothesis formulation in the previous section, it can be inferred that  $H_{01}$  is rejected and, correspondingly,  $H_{A1}$  is supported.

#### **4.3.2. Intangible assets influence transfer pricing negatively.**

Based on the analysis that has been conducted, original sample estimate shows the value of -0.083 for the relation between intangible assets with transfer pricing. It indicates that there is a negative relation between the intangible assets owned by companies and the tendency to do transfer pricing. In addition, it also shows 0.0001 ( $< 0.05$ ) for its p-value and 3.924 ( $> 1.96$ ) for its T-statistic which means that the influence of intangible assets on transfer pricing is significant. According to the hypothesis formulation in the previous section, it can be inferred that  $H_{A2}$  is rejected. Consequently,  $H_{02}$  is then supported as it shows the contrary relationship from what have been expected to have positive relationship ( $\beta_2 \leq 0$ ). It indicates that the

higher the intangible assets owned by companies, the more reluctant the companies will commit to implement transfer pricing mechanism.

#### **4.3.3. Firm size positive and significantly influences transfer pricing.**

Based on the analysis that has been conducted, original sample estimate shows the value of 0.111 for the relation between firm size with transfer pricing. It indicates that there is a positive relation between firm size on transfer pricing. In addition, it also shows 0.0001 ( $< 0.05$ ) for its p-value and 3.842 ( $> 1.96$ ) for its T-statistic which means that the firm size influences transfer pricing significantly. According to the hypothesis formulation in the previous section, it can be inferred that  $H_{03}$  is rejected and, correspondingly,  $H_{A3}$  is supported.

#### **4.3.4. Indonesia Corporate Tax influences transfer pricing negatively.**

Based on the analysis that has been conducted, original sample estimate shows the value of -0.150 for the relation between Indonesia corporate taxes with transfer pricing. It indicates that there is a negative relation between the taxes levied to companies and the tendency to do transfer pricing in Indonesia. In addition, it also shows 0.0000 ( $< 0.05$ ) for its p-value and 10.870 ( $> 1.96$ ) for its T-statistic which means that the influence of taxes on transfer pricing is significant. According to the hypothesis formulation in the previous section, it can be inferred that  $H_{04}$  is rejected. Consequently,  $H_{A4}$  is then supported as the result shows the contrary relationship between tax compliance and transfer pricing ( $\beta_4 \leq 0$ ).

#### 4.3.5. Capital Structure influence transfer pricing negatively.

Based on the analysis that has been conducted, original sample estimate shows the value of -0.032 for the relation between capital structure with transfer pricing. It indicates that there is a negative relation between the debt to equity ratio possessed by companies and the tendency to do transfer pricing. In addition, it also shows 0.0013 ( $< 0.05$ ) for its p-value and 3.037 ( $> 1.96$ ) for its T-statistic which means that the influence is significant.

#### 4.4. DETERMINATION COEFFICIENT ( $R^2$ )

Determination coefficient ( $R^2$ ) is used to know how great the influence of independent variables on dependent variable. The result of R-square can be seen from the following table:

**Table 4.4**

##### **Determination Coefficient**

	R-square
Transfer Pricing	0.041

Table 4.4 shows the number of 0.041 which indicates that firm profitability, intangible assets, firm size, tax, and capital structure can explain 4.1% of transfer pricing intensity. While the rest 95.9% is explained by other variables that are not used in this research.

**Table 4.5****Adjusted Determination Coefficient**

	Adj. R-square
Transfer Pricing	0.031

$$Adjusted R^2 = 1 - \frac{(1 - 0,041^2)(259 - 1)}{259 - 5 - 1}$$

Table 4.5 shows the number of 0.031 which indicates that firm profitability, intangible assets, firm size, tax, and capital structure can explain 3.1% of transfer pricing intensity after the sample size and number of variables are controlled. While the rest 96.9% is explained by other variables that are not used in this research.

## 4.5. DISCUSSIONS

### 4.5.1. Firm Profitability positive and significantly influences the transfer pricing

Based on the analysis that has been conducted, original sample estimate shows the value of 0.111 for the relation between firm profitability with transfer pricing. It indicates that there is a positive relation between firm profitability – return on equity, return on assets, and net profit margin – and transfer pricing. In addition, it also shows 0.0000 (< 0.05) for its p-value and 8.488 (> 1.96) for its T-statistic which means that the firm profitability influences transfer pricing significantly.

According to the hypothesis formulation in the previous section, it can be inferred that  $H_{01}$  is rejected and, correspondingly,  $H_{A1}$  is supported. The underlying rationale behind this is that more profitable firms have the capacity and incentive to engage in transfer pricing (Richardson, Taylor, & Lanis, 2013).

In the same fashion, signaling theory states that the good quality company would purposefully give a signal to the market in terms of good profitability presented in annual report since it will influence shareholders' perception. An MNE group that is publicly held may feel the pressure from shareholders to show high profitability at the parent company level. Simultaneously, company's profitability will have impact on its effort in giving the signal for the interested outsiders such as investors, creditors, etc. In terms of transfer pricing, more profitable firms may alter transfer prices to reduce reported profits in high-tax jurisdictions by considering their pre-tax income. Consecutively, more profitable firms will increase profits in low-tax jurisdictions to minimize their total tax burden and maximize profit. In addition, Holtzman and Nagel (2014) pointed out that many decentralized organizations should determine the profitability of each subunit by considering appropriate pricing of services or product calculation of related entities.

This significantly-positive relation of firm profitability and transfer pricing is consistent with the findings of Mohammadi, Ahmed, and Habib (2015); Chen Ye Ekström, Dall, and Nikolajeva (2014); Holtzman and Nagel (2014); Blouin, Robinson, and Seidman (2013); and Richardson, Taylor, and Lanis (2013).

#### **4.5.2. Intangible assets influence transfer pricing negatively**

Based on the analysis that has been conducted, original sample estimate shows the value of -0.083 for the relation between intangible assets with transfer pricing. It indicates that there is a negative relation between the intangible assets

owned by companies and the tendency to do transfer pricing. In addition, it also shows 0.0001 ( $< 0.05$ ) for its p-value and 3.924 ( $> 1.96$ ) for its T-statistic which means that the influence of intangible assets on transfer pricing is significant.

According to the hypothesis formulation in the previous section, it can be inferred that  $H_{A2}$  is rejected. Consequently,  $H_{02}$  is then supported as it shows the contrary relationship from what have been expected to have positive relationship ( $\beta_2 \leq 0$ ). It indicates that the higher the intangible assets owned by companies, the more reluctant the companies will commit to implement transfer pricing mechanism.

The bonus plan hypothesis in positive accounting theory states that companies will be more opportunistic by using accounting methods that can increase the reported earnings in the current period. Since intangible assets are difficult to value, the transfer of payments (i.e. the royalties attributed to intangibles) are also difficult to value at arm's length prices. Therefore, multinational enterprises are strategically re/allocating their intangible assets to group members in low-tax jurisdictions, which then receive royalty payments from the affiliates that are located in high-tax countries (Dudar, Spengel, & Voget, 2015).

The reasons behind this contradictive result is that, firstly, since Indonesian income tax rate might be perceived as high ( $\pm 25\%$ ), it impulses companies to shift their income to the countries that have significantly lower – tax haven – countries. So that amount of intangible assets owned by companies that are reported in financial statement show relatively small amount, including

goodwill. Secondly, there may be still low recognition of intellectual assets or any other kinds of intangible assets owned by companies. Most of the companies are not concerning deeply on research and development activities which can contribute to intangible assets.

Accordingly, this research's analysis reported antithesis one from the previous studies that result in positive correlation. Subsequently, this negative relation also contradicts the result of the studies conducted by Dawson and Miller (2015); Dudar, Spengel, and Voget (2015); Mohammadi, Ahmed, and Habib (2015); Beer and Loepnick (2014); and Richardson et al. (2013) since those studies were conducted in countries out of Indonesia.

#### **4.5.3. Firm size positive and significantly influences transfer pricing**

Based on the analysis that has been conducted, original sample estimate shows the value of 0.111 for the relation between firm size with transfer pricing. It indicates that there is a positive relation between firm size on transfer pricing. In addition, it also shows 0.0001 ( $< 0.05$ ) for its p-value and 3.842 ( $> 1.96$ ) for its T-statistic which means that the firm size influences transfer pricing significantly.

According to the hypothesis formulation in the previous section, it can be inferred that  $H_{03}$  is rejected and, correspondingly,  $H_{A3}$  is supported. The underlying rationale behind this is that larger firms that have great amount of assets and sales are more likely to engage in greater intensity of transfer pricing. This is also supported by Kiswanto and Purwaningsih (2015) who stated that larger firms that have big amount of total assets show the firm's maturity of long-

term prospective cash flows and this will lead to the firm's stability and ability to generate higher profit than smaller firms.

Correspondingly, it is in line with agency theory which stated that managers tend to grow the firm beyond its optimal size or to maintain unutilized resources with the purpose of increasing personal utility from status, power, compensation, and prestige. To sum up, larger firms have greater ability in generating profit compared to smaller firms since they operate in global scope so that the sales will be boosted and, simultaneously, they will protect their high income by shifting to low tax countries.

This significant and positive relation of firm size and transfer pricing is consistent with the findings of Davies, Martin, Parneti, and Toubal (2015); Kiswanto and Purwaningsih (2015); Rusydi and Martani (2014); Cecchini et al. (2013); Richardson et al. (2013); and Xiaoling Chen, Chen, Pan, and Wang (2013).

#### **4.5.4. Tax influences transfer pricing negatively**

Based on the analysis that has been conducted, original sample estimate shows the value of -0.150 for the relation between Indonesia corporate taxes with transfer pricing. Since tax is measured as the effective tax rate which represent the tax compliance motive by the companies, it indicates that there is a negative relation between the taxes and the tendency to do transfer pricing in Indonesia. In addition, it also shows 0.0000 ( $< 0.05$ ) for its p-value and 10.870 ( $> 1.96$ ) for its T-statistic which means that the influence of taxes on transfer pricing is significant.



According to the hypothesis formulation in the previous section, it can be inferred that  $H_{04}$  is rejected and consequently,  $H_{A4}$  is then supported. Although the result shows the negative relationship between tax and transfer pricing ( $\beta_4 \leq 0$ ), it still support  $H_{A4}$  since tax is measured by using effective tax rate – the proportion of taxable income earned by companies that must be paid as an income tax to government of Indonesia (25 per cent). In other words, effective tax rate indicates the tax compliance motive committed by companies in relation to transfer pricing. Thus, the less compliant the companies in terms of taxation, the more likely the companies will engage in transfer pricing mechanism. Conversely, the more compliant the companies with taxation obligations, the less probable for the companies to commit transfer pricing.

It is in line with the recent studies regarding the tax-motivated transfer pricing by Marfuah and Azizah, (2014). In simpler words, the companies that have high tax avoidance are more intense in transfer pricing arrangement since they tend to shift their income from high-tax jurisdictions to low-tax countries to minimize their tax burden and, subsequently, their profit will be maximized.

Under positive accounting theory understanding, particularly on political cost hypothesis, the firms tend to be more opportunistic. Related to political cost, the greater the political costs faced by the company, the greater the tendency of companies to use accounting choices that could artificially lower profits which can increase the political costs. Bigger tax burden will trigger multinational company to impose lower selling price between affiliates and transfer the profit

to the low tax rate country to minimize tax expense and eventually company's profit will be maximized (Kiswanto and Purwaningsih, 2015).

Similarly, low or zero tax rates and a veil of secrecy for transactions via tax havens provide strong incentives for multinational corporations to shift their profits by manipulating transfer pricing in order to avoid corporate income tax, which is probably the most important motivation for corporations' profit shifting behavior (Chen Ye Ekström, Dall, and Nikolajeva, 2014). In different occasions, Sari & Hunar (2015) examined Starbucks UK that moved its profit to the low tax jurisdiction countries and it generated a minus taxable income. Klassen, Lisowsky, and Mescall (2013) also stated that transfer pricing-related tax savings are greater when higher foreign income, tax haven use, and R&D activities are combined with a tax minimization strategy. Additionally, tax avoidance can be achieved through transfer pricing manipulation by transferring goods to countries with low income tax rates (e.g. tax havens) at the lowest possible transfer price and by transferring goods out of these countries at the highest possible transfer price (Richardson et al., 2013). Lastly, Davies et al., (2015) and Nurhayati, (2013) shared the same ideas that a difference between low-tax countries and tax havens will provide a tax environment which is particularly amenable to tax avoidance.

Thus, this result supports the studies conducted by Davies et al., (2015); Kiswanto and Purwaningsih, (2015); Sari & Hunar, (2015); Chen Ye Ekström, Dall, and Nikolajeva (2014); Hartati, (2014); Klassen, Lisowsky, and Mescall (2013); Nurhayati, (2013); and Richardson et al. (2013).

#### **4.5.5. Capital Structure influences transfer pricing negatively.**

Based on the analysis that has been conducted, original sample estimate shows the value of -0.032 for the relation between capital structures with transfer pricing. It indicates that there is a negative relation between the debt to equity ratio possessed by companies and the tendency to do transfer pricing. In addition, it also shows 0.0013 ( $< 0.05$ ) for its p-value and 3.037 ( $> 1.96$ ) for its T-statistic which means that the influence is significant.

When the firms are dominantly financed by debt, the less probable the firms will engage in transfer pricing. Equally, when the firms are significantly financed by other than debt, the more likely the company will make selling transactions with related-parties. If one entity has no alternative other than to sell inside the organization to another entity, it has little leverage in any transfer price negotiation compared to an entity that has other options to sell its intermediate product (Cecchini et al., 2013). Additionally, it is also in line with the study conducted by Hopland, Lisowsky, Mardan, and Schindler (2014) who stated that for transfer pricing, multinationals need not take into account the loss probability as much as if the multinational would like to manage its internal debt for income shifting, and thus the expected tax rate differential matters less under transfer pricing.

In Indonesia context, Bank of Indonesia has set an average of lending rate for corporation at  $\pm 10$  per cent. It is relatively low rate compared to foreign countries such as India ( $\pm 14.5$  per cent) and Australia ( $\pm 11.50$  per cent). This cause companies have less worry on interest expense so the intention to conduct

debt shifting or, eventually, income shifting. Additionally, most of the publicly-listed corporation's debt is mainly consisted of long-term debt generated from bank loan which used for the re-investment purpose. In other words, most Indonesia public companies try to finance their business through long-term debt that make them to be more productive debt. Thus, there is no evidence for flexibility in the capital structure in transfer pricing mechanism.



## CHAPTER V

### CONCLUSIONS AND RECOMMENDATIONS

This chapter contains the conclusions of research findings and discussions, research limitations, and recommendations for further studies.

#### 5.1. CONCLUSIONS

This research is projected to give analysis regarding the influence of firm profitability, intangible assets, firm size, tax, and capital structure on the intensity of transfer pricing. It is conducted using partial least square (PLS) method which encompasses 259 shortlisted companies listed in Indonesia Stock Exchange (IDX) for the period of 2011-2015.

Based on the hypothesis testing that have been conducted, it can be concluded that:

1. Firm Profitability positive and significantly influences transfer pricing. It indicates that more profitable firms have more capacity and incentive to engage in transfer pricing intensively.
2. Intangible assets influence transfer pricing negatively. It implies that the higher the intangible assets owned by companies, the more reluctant the companies will commit to implement transfer pricing mechanism.
3. Firm size positive and significantly influences transfer pricing. It means that larger firms that have great amount of assets are more likely to engage in greater intensity of transfer pricing.

4. Tax influences transfer pricing negatively. It infers that the less compliant the companies in terms of taxation, the more likely the companies will engage in transfer pricing mechanism.
5. Capital Structure influences transfer pricing negatively. It signifies that when the firms are dominantly financed by debt, the less probable the firms will engage in transfer pricing mechanism.

## **5.2. RESEARCH IMPLICATIONS**

This research can, suggestively, give the interested parties information to make decisions and take relevant actions related to the factor influencing transfer pricing. Those actions can be taken by the following parties:

1. Academicians

Academicians (i.e. students, scholars, researchers) should take responsive actions to give more practical academic support to present more relevant information for interested parties. These actions can be done by:

- a. Conducting more researches and studies regarding factors influencing and the impact of transfer pricing since it can give updated findings and information on how companies behave these days. It becomes noticeable since this study can fulfil the recommendations from Doğan, Deran, and Köksal (2013) and Richardson, Taylor, and Lanis (2013) to include corporation's profitability, the sector in which it operates, its asset structure and its size as the determinants of transfer pricing as well as to consider the determinants of transfer pricing aggressiveness across different

international jurisdictions, respectively. Furthermore, this study can cover more comprehensive discussion in terms of determinants of transfer pricing and scope of sample compared to previous studies by Kiswanto and Purwaningsih (2015), Sari and Hunar (2015), Hartati (2014), Hopland, Lisowsky, Mardan, and Schindler (2014b), Marfuah and Azizah (2014), Klassen, Lisowsky, and Mescall (2013) and Nurhayati (2013) that only focus mostly on analysing tax, tunnelling incentives, and bonus scheme on manufacturing companies (relatively small sample size), except for Hartati (2014) who encompassed all companies in IDX. In addition, this study can analyse the influence of intangible assets and firm profitability on transfer pricing practice in Indonesia as studied by Richardson, Taylor, and Lanis (2013) in Australian firms. Thus, it is useful in giving references for further transfer pricing studies to give continuous improvement regarding the results.

- b. Building continuous communication with private sector (i.e. companies) to make the researches more purposeful and applicable.
- c. Educating investors and government (i.e. Directorate General of Taxation) about the role and responsibility of each party and appropriate actions should be taken. Ultimately, academicians can give recommendations upon certain cases.

## 2. The Directorate General of Taxation

The Directorate General of Taxation (DGT) of Indonesia should take strategic actions to safeguard the tax income potential. These actions can be done by:

- a. Revitalizing the income tax system and implementation for body, including more concrete follow up if there is an indication of tax avoidance practice. It is important since many companies will try to engage in tax-avoidance motive within transfer pricing mechanism. Therefore, tax authorities should both increase their focus on firms whose income bunches around zero, and scrutinize payments to non-haven affiliates that disclose operating losses (Hopland, Lisowsky, Mardan, & Schindler, 2014a).
- b. Socializing the rationalization and the utilization of income tax rate ( $\pm 25\%$ ) levied to companies. It is important to give more transparent process regarding the rights and obligations of companies as a tax object.
- c. Building strong consolidation with related parties such as society, The Organisation for Economic Co-operation and Development (OECD), other countries' taxation regulator, etc. in order to intensify the implementation of arm's length transaction by companies.



### 3. Company Management

Company management should take strategic actions in order to achieve intended corporate's goal. These actions can be done by:

- a. Evaluating the forgoing policy and strategy in order to align the company's goal with multiple stakeholders' interests.
- b. Develop transfer pricing policies with the assistance of tax professionals that are defensible, flexible, and congruent with the company's overall tax planning, so that the management can focus on other operational business objectives (Holtzman & Nagel, 2014).
- c. Communicating the corporate goals and objectives with multiple stakeholders so that every decision made will be considering the mutual benefits among company with supporting elements. Furthermore, any deviating strategies which contradict with the applicable regulation will be avoided.

### 4. Investors

Investors should take appropriate actions in order to meet their investment objectives. These actions can be done by:

- a. Giving more attention on investment transactions that involve companies in Indonesia Stock Exchange (IDX). Investors are required to be more educated and critical in facing various issues and information in capital market, especially the information presented by companies in annual report.

- b. Becoming more selective in evaluating the information presented in company's annual report and financial statement since there is a possibility for the company to do window-dressing in presenting their information. It is useful in assuring that investment decision made is profitable for the investors' perspective.

### **5.3. RESEARCH LIMITATIONS**

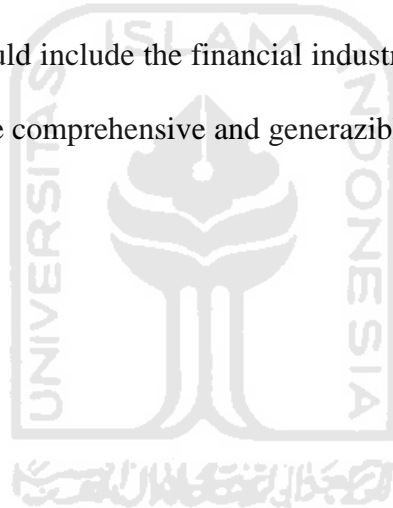
In conducting this research, there are several limitations and constraints which can partially influence the result of the study. The limitations are as follows:

1. This research only can contribute to 3.1% of its adjusted determination coefficient which indicates that there may be other variables that can be used in explaining transfer pricing.
2. This research only include capital structure as a control variable without further analysis.
3. This research only analyse the factors influencing transfer pricing intensity without analysing the impact of transfer pricing itself.
4. This research does not include companies that operate in financial industry (i.e. banking, insurance, etc.) as a research object in analysing determinants of transfer pricing.

### **5.4. RECOMMENDATIONS**

By taking into account several limitations embedded in this research, therefore, some recommendations are expectedly fulfilled by future studies to give continuous improvement for the result. The recommendations are as follows:

1. Future studies should be designed to include other financial and non-financial factors (i.e. management style or leadership, customer satisfaction, etc.) to give more comprehensive result and improve the adjusted determination coefficient ( $>3.1\%$ ).
2. Future studies should include capital structure as their independent variable in relation to the transfer pricing so that it can be further analyzed.
3. Future studies should be aimed to analyse the impact of transfer pricing implementation on companies operational activities.
4. Future studies should include the financial industry sector as their research object to give more comprehensive and generazible result.



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# APPENDICES

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Appendix 1: List of Research Sample

Appendix 2: Data Used for Analysis



**APPENDIX 1**  
**List of Research Sample**  
**Publicly-Listed Companies in Indonesia Stock Exchange (IDX)**  
**for the Period of 2011-2015**

No.	Annual Report	Code	Company Name
1	2015	AALI	Astra Agro Lestari Tbk
2	2013	ABBA	Mahaka Media Tbk
3	2011	ABMM	ABM Investama Tbk
4	2015	ACES	Ace Hardware Indonesia Tbk
5	2012	ADES	Akasha Wira International Tbk
6	2015	ADHI	Adhi Karya (Persero) Tbk
7	2015	ADRO	ADARO ENERGY Tbk
8	2015	AISA	Tiga Pilar Sejahtera Food Tbk
9	2013	AKPI	Argha Karya Prima Ind. Tbk
10	2015	AKRA	AKR Corporindo Tbk
11	2011	ALDO	Alkindo Naratama Tbk
12	2014	ALKA	Alakasa Industrindo Tbk
13	2013	ALMI	Alumindo Light Metal Industry Tbk
14	2012	ALTO	Tri Banyan Tirta Tbk
15	2014	AMFG	Asahimas Flat Glass Tbk
16	2015	AMRT	Sumber Alfaria Trijaya Tbk
17	2014	ANJT	PT Austindo Nusantara Jaya Tbk.
18	2012	ANTM	Aneka Tambang (Persero) Tbk
19	2013	APEX	Apexindo Pratama Duta Tbk
20	2015	APLN	Agung Podomoro Land Tbk
21	2013	ARGO	Argo Pantes Tbk
22	2011	ARII	Atlas Resources Tbk
23	2015	ARNA	Arwana Citramulia Tbk
24	2012	ARTI	Ratu Prabu Energi Tbk
25	2015	ASGR	Astra Graphia Tbk
26	2015	ASII	Astra International Tbk
27	2014	ASRI	ALAM SUTERA REALTY Tbk
28	2014	ASSA	Adi Sarana Armada Tbk
29	2014	ATIC	PT Anabatic Technologies Tbk
30	2013	ATPK	Bara Jaya Internasional Tbk
31	2014	AUTO	Astra Otoparts Tbk
32	2013	BCIP	Bumi Citra Permai Tbk
33	2014	BIKA	PT Binakarya Jaya Abadi Tbk.
34	2013	BIPI	Benakat Integra Tbk
35	2015	BIPP	Bhuwanatala Indah Permai Tbk
36	2014	BKDP	Bukit Darmo Property Tbk
37	2013	BKSL	Sentul City Tbk
38	2014	BMTR	Global Mediacom Tbk
39	2014	BNBR	Bakrie & Brothers Tbk
40	2011	BORN	Borneo Lumbang Energi & Metal Tbk
41	2014	BRAM	Indo Kordsa Tbk
42	2011	BRAU	Berau Coal Energy Tbk
43	2011	BRMS	Bumi Resources Minerals Tbk
44	2014	BRNA	Berlina Tbk
45	2015	BRPT	Barito Pacific Tbk

46	2014	BSDE	Bumi Serpong Damai Tbk
47	2015	BSSR	Baramulti Suksessarana Tbk
48	2015	BTEK	Bumi Teknokultura Unggul Tbk
49	2014	BUKK	Bukaka Teknik Utama Tbk
50	2011	BUMI	Bumi Resources Tbk
51	2014	BWPT	Eagle High Plantations Tbk
52	2011	BYAN	Bayan Resources Tbk
53	2015	CASS	Cardig Aero Services Tbk
54	2011	CENT	PT Centratama Telekomunikasi Indonesia Tbk.
55	2015	CINT	PT Chitose Internasional Tbk
56	2011	CITA	Cita Mineral Investindo Tbk
57	2013	CKRA	Cakra Mineral Tbk.
58	2015	CMNP	Citra Marga Nusaphala Persada Tbk
59	2014	CMPP	Rimau Multi Putra Pratama
60	2014	COWL	COWELL DEVELOPMENT Tbk
61	2013	CPGT	PT Citra Maharlika Nusantara Corpora Tbk.
62	2015	CPIN	Charoen Pokphand Indonesia Tbk
63	2013	CTBN	Citra Tubindo Tbk
64	2013	CTRA	Ciputra Development Tbk
65	2015	CTRP	Ciputra Property Tbk
66	2011	CTRS	Ciputra Surya Tbk
67	2015	DILD	Intiland Development Tbk
68	2013	DKFT	Central Omega Resources Tbk
69	2015	DNET	PT Indoritel Makmur Internasional Tbk.
70	2014	DOID	Delta Dunia Makmur Tbk
71	2014	DSNG	PT Dharma Satya Nusantara Tbk.
72	2014	DSSA	Dian Swastatika Sentosa Tbk
73	2014	DUTI	Duta Pertiwi Tbk
74	2015	DVLA	Darya-Varia Laboratoria Tbk
75	2012	DYAN	PT Dyandra Media International Tbk.
76	2012	EKAD	Ekadharna International Tbk
77	2015	ELSA	Elnusa Tbk
78	2014	ELTY	Bakrieland Development Tbk
79	2015	EMDE	Megapolitan Developments Tbk
80	2015	EMTK	Elang Mahkota Teknologi Tbk
81	2015	EPMT	Enseval Putra Megatrading Tbk
82	2013	ERAA	Erajaya Swasembada Tbk
83	2015	ERTX	Eratex Djaja Tbk
84	2014	ESSA	Surya Esa Perkasa Tbk
85	2011	ETWA	Eterindo Wahanatama Tbk
86	2013	EXCL	XL Axiata Tbk
87	2012	FASW	Fajar Surya Wisesa Tbk
88	2015	FISH	FKS Multi Agro Tbk
89	2015	FPNI	PT Lotte Chemical Titan Tbk.
90	2011	GDST	Gunawan Dianjaya Steel Tbk
91	2013	GDYR	Goodyear Indonesia Tbk
92	2015	GEMA	Gema Grahasarana Tbk
93	2012	GEMS	Golden Energy Mines Tbk
94	2012	GIAA	Garuda Indonesia (Persero) Tbk
95	2013	GLOB	Global Teleshop Tbk
96	2014	GOLL	PT Golden Plantation Tbk
97	2014	GREN	Evergreen Invesco Tbk

98	2012	GTBO	Garda Tujuh Buana Tbk
99	2015	GWSA	Greenwood Sejahtera Tbk
100	2014	GZCO	Gozco Plantations Tbk
101	2012	HDTX	Panasia Indo Resources Tbk
102	2013	HERO	Hero Supermarket Tbk
103	2014	HEXA	Hexindo Adiperkasa Tbk
104	2015	HMSP	HM Sampoerna Tbk
105	2013	HOTL	Saraswati Griya Lestari Tbk
106	2013	HRUM	Harum Energy Tbk
107	2015	IBST	Inti Bangun Sejahtera Tbk
108	2015	ICBP	Indofood CBP Sukses Makmur Tbk
109	2014	ICON	Island Concepts Indonesia Tbk
110	2015	IGAR	Champion Pacific Indonesia Tbk
111	2015	IKBI	Sumi Indo Kabel Tbk
112	2015	IMAS	Indomobil Sukses Internasional Tbk
113	2014	IMPC	PT Impack Pratama Industri Tbk
114	2015	INAF	Indofarma Tbk
115	2015	INAI	Indal Aluminium Industry Tbk
116	2015	INCF	PT Indo Komoditi Korpora Tbk
117	2015	INDF	Indofood Sukses Makmur Tbk
118	2012	INDY	Indika Energy Tbk
119	2014	INPP	Indonesian Paradise Property Tbk
120	2013	INRU	Toba Pulp Lestari Tbk
121	2015	INTP	Indocement Tunggal Prakarsa Tbk
122	2013	INVS	Inovisi Infracom Tbk
123	2014	IPOL	Indopoly Swakarsa Industry Tbk
124	2012	ISAT	Indosat Tbk
125	2013	ISSP	PT Steel Pipe Industry of Indonesia Tbk
126	2011	ITMG	Indo Tambangraya Megah Tbk
127	2014	JAWA	Jaya Agra Wattie Tbk
128	2014	JIHD	Jakarta International Hotels & Development Tbk
129	2015	JKON	Jaya Konstruksi Manggala Pratama Tbk
130	2015	JPFA	JAPFA Comfeed Indonesia Tbk TAMBAH AR
131	2013	JPRS	Jaya Pari Steel Tbk
132	2015	JSMR	Jasa Marga Tbk
133	2014	JSPT	Jakarta Setiabudi Internasional Tbk
134	2014	JTPE	Jasuindo Tiga Perkasa Tbk
135	2015	KAEF	Kimia Farma (Persero) Tbk
136	2012	KARW	ICTSI JASA PRIMA Tbk
137	2014	KBLM	Kabelindo Murni Tbk
138	2014	KBLV	First Media Tbk
139	2012	KIJA	Kawasan Industri Jababeka Tbk
140	2012	KKGI	Resource Alam Indonesia Tbk
141	2104	KLBF	Kalbe Farma Tbk
142	2012	KOBX	Kobexindo Tractors Tbk
143	2014	KOIN	Kokoh Inti Arebama Tbk
144	2014	KONI	Perdana Bangun Pusaka Tbk
145	2014	KPIG	MNC Land Tbk
146	2013	KRAH	PT Grand Kartech Tbk
147	2015	LAMI	Lamicitra Nusantara Tbk
148	2015	LINK	PT Link Net Tbk.
149	2015	LMAS	Limas Indonesia Makmur Tbk

150	2011	LPCK	Lippo Cikarang Tbk
151	2015	LPKR	Lippo Karawaci Tbk
152	2014	LPLI	Star Pacific Tbk
153	2015	LSIP	PP London Sumatra Indonesia Tbk
154	2015	LTLS	Lautan Luas Tbk
155	2011	MAGP	Multi Agro Gemilang Plantation Tbk
156	2013	MAPI	Mitra Adiperkasa Tbk
157	2014	MASA	Multistrada Arah Sarana Tbk
158	2014	MBSS	Mitrabahtera Segara Sejati Tbk
159	2011	MBTO	Martina Berto Tbk
160	2014	MDIA	PT Intermedia Capital Tbk.
161	2015	MDLN	Modernland Realty Ltd Tbk
162	2015	MDRN	Modern Internasional Tbk
163	2012	MEDC	Medco Energi Internasional Tbk
164	2013	MERK	Merck Tbk
165	2015	META	Nusantara Infrastructure Tbk
166	2015	MFMI	Multifiling Mitra Indonesia Tbk
167	2014	MICE	Multi Indocitra Tbk
168	2014	MIKA	PT Mitra Keluarga Karyasehat Tbk.
169	2012	MIRA	Mitra International Resources Tbk
170	2011	MITI	Mitra Investindo Tbk
171	2014	MKPI	Metropolitan Kentjana Tbk
172	2011	MLBI	Multi Bintang Indonesia Tbk
173	2012	MLPL	Multipolar Tbk
174	2015	MLPT	PT Multipolar Technology Tbk.
175	2015	MNCN	Media Nusantara Citra Tbk
176	2015	MPMX	PT Mitra Pinasthika Mustika Tbk.
177	2014	MPPA	Matahari Putra Prima Tbk
178	2015	MYOH	Samindo Resources Tbk
179	2013	MYRX	Hanson International Tbk
180	2011	OKAS	Ancora Indonesia Resources Tbk
181	2011	OMRE	Indonesia Prima Property Tbk
182	2011	PALM	Provident Agro Tbk
183	2012	PANR	Panorama Sentrawisata Tbk
184	2013	PBRX	Pan Brothers Tbk
185	2014	PGAS	Perusahaan Gas Negara (Persero) Tbk
186	2012	PJAA	Pembangunan Jaya Ancol Tbk
187	2013	PNSE	Pudjiadi & Sons Tbk
188	2014	POOL	Pool Advista Indonesia Tbk
189	2015	PPRO	PT PP Properti Tbk.
190	2015	PSAB	J RESOURCES ASIA PASIFIK Tbk
191	2013	PSDN	Prasidha Aneka Niaga Tbk
192	2015	PTBA	Tambang Batubara Bukit Asam Tbk
193	2013	PTIS	Indo Straits Tbk
194	2015	PTPP	PP (Persero) Tbk
195	2014	PTRO	Petrosea Tbk
196	2011	PTSP	Pioneerindo Gourmet International Tbk
197	2013	PWON	Pakuwon Jati Tbk
198	2015	PYFA	Pyridam Farma Tbk
199	2012	RAJA	Rukun Raharja Tbk
200	2013	RANC	Supra Boga Lestari Tbk
201	2015	RICY	Ricky Putra Globalindo Tbk

202	2011	RMBA	Bentoel International Investama Tbk
203	2015	ROTI	Nippon Indosari Corpindo Tbk
204	2013	RUIS	Radiant Utama Interinsco Tbk
205	2013	SCBD	Danayasa Arthatama Tbk
206	2015	SCMA	Surya Citra Media Tbk
207	2012	SDPC	Millennium Pharmacon International Tbk
208	2014	SGRO	Sampoerna Agro Tbk
209	2015	SIDO	PT Industri Jamu dan Farmasi Sido Muncul Tbk
210	2015	SILO	PT Siloam International Hospitals Tbk.
211	2012	SIMP	Salim Ivomas Pratama Tbk
212	2011	SIPD	Sierad Produce Tbk
213	2012	SKYB	Skybee Tbk
214	2011	SMAR	SMART Tbk
215	2015	SMBR	PT Semen Baturaja (Persero) Tbk
216	2011	SMCB	Holcim Indonesia Tbk
217	2014	SMDR	Samudera Indonesia Tbk
218	2014	SMGR	Semen Indonesia (Persero) Tbk
219	2013	SMMT	GOLDEN EAGLE ENERGY Tbk
220	2011	SOBI	Sorini Agro Asia Corporindo Tbk
221	2015	SOCI	PT Soechi Lines Tbk.
222	2015	SQBB	Taisho Pharmaceutical Indonesia Tbk
223	2015	SQMI	RENUKA COALINDO Tbk
224	2012	SRAJ	Sejahteraraya Anugrahjaya Tbk
225	2013	SRSN	Indo Acidatama Tbk
226	2015	SRTG	PT Saratoga Investama Sedaya Tbk.
227	2015	SSMS	PT Sawit Sumbermas Sarana Tbk.
228	2011	STTP	Siantar Top Tbk
229	2013	SUGI	Sugih Energy Tbk
230	2014	SULI	PT SLJ Global Tbk
231	2013	SUPR	Solusi Tunas Pratama Tbk
232	2012	TALF	PT Tunas Alfin Tbk
233	2013	TARA	PT Sitara Propertindo Tbk
234	2013	TAXI	Express Transindo Utama Tbk
235	2014	TBIG	PT Tower Bersama Infrastructure Tbk
236	2011	TBLA	Tunas Baru Lampung Tbk
237	2011	TCID	Mandom Indonesia Tbk
238	2015	TELE	Tiphone Mobile Indonesia Tbk
239	2011	TFCO	Tifico Fiber Indonesia Tbk
240	2015	TGKA	Tigaraksa Satria Tbk
241	2011	TKIM	Pabrik Kertas Tjiwi Kimia Tbk
242	2015	TLKM	Telekomunikasi Indonesia (Persero) Tbk
243	2012	TMPI	PT Sigmagold Inti Perkasa Tbk.
244	2012	TMPO	Tempo Inti Media Tbk
245	2013	TOBA	Toba Bara Sejahtra Tbk
246	2015	TOTL	Total Bangun Persada Tbk
247	2015	TOWR	Sarana Menara Nusantara Tbk
248	2014	TPMA	Trans Power Marine Tbk
249	2013	TRIO	Trikonsel Oke Tbk
250	2011	TRST	Trias Sentosa Tbk
251	2015	TSPC	Tempo Scan Pacific Tbk
252	2013	ULTJ	Ultra Jaya Milk Industry Tbk
253	2015	UNTR	United Tractors Tbk

254	2013	UNVR	Unilever Indonesia Tbk
255	2014	VIVA	PT Visi Media Asia Tbk
256	2014	WEHA	PT WEHA Transportasi Indonesia Tbk
257	2013	WICO	Wicaksana Overseas International Tbk
258	2014	WIKA	Wijaya Karya Tbk
259	2014	WSKT	Waskita Karya (Persero) Tbk



**APPENDIX 2**  
**Data Used for Analysis**  
**Publicly-Listed Companies in Indonesia Stock Exchange (IDX)**  
**for the Period of 2011-2015**

Research Samples			Transfer Pricing		Intangible Assets	Profitability			Tax	Firm Size	Capital Structure
No.	Code	Company Name	RPT Sales	RPT Ratio	TANG	Net Profit Margin	ROA	ROE	Tax	Total Assets	Debt to Equity
1	AALI	Astra Agro Lestari Tbk	1	0,39875	10,74780785	0,053271498	0,032338788	0,059466336	0,408186894	13,33268828	0,838854832
2	ABBA	Mahaka Media Tbk	1	0,08953	10,50028568	0,100536308	0,068433515	0,184875385	0,138486032	11,65723755	1,712909974
3	ABMM	ABM Investama Tbk	1	0,11879	11,77370089	0,062309971	0,041776331	0,136580278	0,110943872	12,99489671	2,269321993
4	ACES	Ace Hardware Indonesia Tbk	1	0,74601	10,9229223	0,123325306	0,178994513	0,222484703	0,205994672	12,5142222	0,2429694
5	ADES	Akasha Wira International Tbk	0	0,00000	9,202215776	0,14405374	0,21428241	0,398695498	0,25	11,59005453	0,860607684
6	ADHI	Adhi Karya (Persero) Tbk	1	0,31234	8,500742144	0,049525755	0,027744394	0,090084013	0,376717468	13,22430157	2,246926691
7	ADRO	ADARO ENERGY Tbk	1	0,00093	13,07063132	0,056250456	0,025341903	0,045034615	0,460651563	13,88982404	0,777080998
8	AISA	Tiga Pilar Sejahtera Food Tbk	0	0,00000	11,55332949	0,06217876	0,041248302	0,094216981	0,25314976	12,95717512	1,284142028
9	AKPI	Argha Karya Prima Ind. Tbk	1	0,00049	8,593156424	0,02081318	0,016607925	0,033633652	0,478740984	12,3190159	1,025156733
10	AKRA	AKR Corporindo Tbk	1	0,00167	10,07515526	0,053566942	0,069639676	0,145308199	0,177046438	13,181933	1,086572014
11	ALDO	Alkindo Naratama Tbk	1	0,00086	9,290223202	0,050018985	0,074381866	0,149543801	0,25	11,2164843	1,010487361
12	ALKA	Alakasa Industrindo Tbk	1	0,04254	7,718476776	0,002161354	0,010859444	0,042052913	0,324109156	11,38895225	2,872474046
13	ALMI	Alumindo Light Metal Industry Tbk	1	0,25278	7	0,009096441	0,039733883	0,039733883	0,138614363	11,81779109	3,186679212
14	ALTO	Tri Banyan Tirta Tbk	0	0,00000	5,954242509	0,069186957	0,049498865	0,08557673	0,263641087	11,51404271	0,728862468
15	AMFG	Asahimas Flat Glass Tbk	1	0,68633	9,860338007	0,124894273	0,117046767	0,144014618	0,229974404	12,59310777	0,23040235
16	AMRT	Sumber Alfaria Trijaya Tbk	1	0,00695	10,81885905	0,011186792	0,030548003	0,095707902	0,154071928	13,18172606	2,133033044
17	ANJT	PT Austindo Nusantara Jaya Tbk.	0	0,00000	10,81082247	0,120047544	0,041141874	0,048655423	0,459877967	12,76208948	0,182625365
18	ANTM	Aneka Tambang (Persero) Tbk	1	0,00025	11,26804876	0,000286426	0,000151869	0,233248286	0,231646894	13,29465447	0,535852208
19	APEX	Apexindo Pratama Duta Tbk	0	0,00000	9,544544584	0,18967676	0,062256236	0,174284558	0,284888956	13,01280528	1,799471498
20	APLN	Agung Podomoro Land Tbk	1	0,01672	10,48194271	0,187012998	0,045472352	0,123090951	0,019454817	13,39021377	0,77703759
21	ARGO	Argo Pantes Tbk	1	0,16381	9,669948705	0,061596307	0,034860532	0,25006018	-0,34641379	12,37014888	6,173160211
22	ARII	Atlas Resources Tbk	0	0,00000	11,74404094	0,033678838	0,011697309	0,01936784	0,392215298	12,36198909	0,655751752
23	ARNA	Arwana Citramulia Tbk	1	0,96024	10,47576755	0,055119196	0,049770069	0,079588328	0,254457907	12,1555724	0,391175517
24	ARTI	Ratu Prabu Energi Tbk	1	0,07057	10,25022088	0,147795091	0,042113935	0,042113935	0,027592411	12,19795073	0,411755406
25	ASGR	Astra Graphia Tbk	1	0,16701	10,53902589	0,099870378	0,146468422	0,250126658	0,237404899	12,25769849	0,707717302
26	ASII	Astra International Tbk	1	0,02838	12,96899633	0,08476297	0,063613584	0,123390736	0,204635762	14,38993649	0,939691622

27	ASRI	ALAM SUTERA REALTY Tbk	1	0,03131	10,87005071	0,324148437	0,069542047	0,184730701	0,167211075	13,22851243	1,656388603
28	ASSA	Adi Sarana Armada Tbk	1	0,00069	9,879105023	0,037664881	0,017129017	0,051285999	0,237226402	12,39920824	1,99410059
29	ATIC	PT Anabatic Technologies Tbk	1	0,02065	10,56901613	0,031519075	0,041024808	0,199454148	0,276386523	12,29546386	3,861793595
30	ATPK	Bara Jaya Internasional Tbk	1	0,94487	9,389275974	0,031852327	0,008756028	0,011630841	0,1998942	12,17299384	0,328323931
31	AUTO	Astra Otoparts Tbk	1	0,36845	11,29888363	0,078039631	0,066505384	0,094352451	0,138992154	13,15778685	0,418718999
32	BCIP	Bumi Citra Permai Tbk	0	0,00000	9,824552881	0,181740385	0,075633372	0,145081391	0,230526081	11,63570156	0,91821926
33	BIKA	PT Binakarya Jaya Abadi Tbk.	1	0,02868	12,68713524	0,094090353	0,024612284	0,051938017	0,347287217	13,67698309	1,110247754
34	BIPI	Benakat Integra Tbk	0	0,00000	10,45572311	0,080036473	0,03584942	0,114920287	0,005335618	12,32990611	2,034562781
35	BIPP	Bhuwanatala Indah Permai Tbk	0	0,00000	12,4935225	0,290204735	0,041286942	0,116312995	0,255935611	13,24168149	1,817185994
36	BKDP	Bukit Darmo Property Tbk	0	0,00000	10,34740996	1,121255725	0,094178061	0,11603977	0,041728743	12,12359048	0,232131654
37	BKSL	Sentul City Tbk	0	0,00000	8,440173123	0,066997248	0,008677022	0,012034751	0,514859279	11,91865565	0,386967857
38	BMTR	Global Mediacom Tbk	1	0,34574	9,737194117	0,629005347	0,056732784	0,087951953	0,054729593	13,02798991	0,550284452
39	BNBR	Bakrie & Brothers Tbk	1	0,05020	12,5821501	0,121046223	0,050857373	0,081262778	0,32726134	13,40423848	0,597856377
40	BORN	Borneo Lumbang Energi & Metal Tbk	1	0,20516	9,575576572	0,023440472	0,013236989	-0,07155083	0,456978423	13,05292655	-6,40537081
41	BRAM	Indo Kordsa Tbk	0	0,00000	11,54996403	0,300382574	0,118878867	0,215420138	0,290119388	13,18678148	0,81209783
42	BRAU	Berau Coal Energy Tbk	1	0,02580	10,71514122	0,076480806	0,051529246	0,088924175	0,2625008	12,60364849	0,725703004
43	BRMS	Bumi Resources Minerals Tbk	1	0,06862	12,57159459	0,097029135	0,078096326	0,301734393	0,598643836	13,42838445	2,880504407
44	BRNA	Berlina Tbk	0	0,00000	12,61924345	0,05376225	0,029193634	0,182847314	0,64041053	13,98203448	5,263259712
45	BRPT	Barito Pacific Tbk	0	0,00000	10,4433826	0,045278803	0,042725002	0,15557517	0,232520113	12,1251838	2,641314472
46	BSDE	Bumi Serpong Damai Tbk	0	0,00000	10,20281378	0,003614152	0,002255575	0,004249487	0,853700665	13,46745507	0,883992846
47	BSSR	Baramulti Suksessarana Tbk	0	0,00000	9,987595878	0,711888487	0,142047375	0,21633578	0,077517827	13,44924268	0,5229833
48	BTEK	Bumi Teknokultura Unggul Tbk	1	0,35624	11,41793403	0,101830163	0,15169388	0,251317572	0,383166784	12,35492062	0,656741671
49	BUKK	Bukaka Teknik Utama Tbk	0	0,00000	10,61262408	0,005535807	0,000548854	0,003403706	-0,00935024	11,69494762	5,201482978
50	BUMI	Bumi Resources Tbk	1	0,05964	10,30834691	0,069282627	0,048762828	0,085679283	0,129633529	12,30443645	0,757061385
51	BWPT	Eagle High Plantations Tbk	0	0,00000	12,64948943	0,053761337	0,029114606	0,182847314	0,640628406	13,98321173	5,263259712
52	BYAN	Bayan Resources Tbk	0	0,00000	12,07912732	0,085955813	0,011882778	0,028018808	0,29086908	13,21430966	1,357934159
53	CASS	Cardig Aero Services Tbk	1	0,02493	11,32131461	0,099706625	0,13020844	0,291254633	0,267105572	13,15794733	1,23683375
54	CENT	PT Centratama Telekomunikasi Indonesia Tbk.	1	0,44791	10,23341311	0,179910456	0,229441112	0,525720726	0,291225044	12,10704267	1,291310047
55	CINT	PT Chitose Internasional Tbk	1	0,17080	10,18856207	0,023673481	0,013668805	0,015954155	-0,37170088	11,02290729	0,167194578
56	CITA	Cita Mineral Investindo Tbk	1	0,04836	9,181411694	0,093512095	0,077004259	0,093558567	0,276837041	11,58298043	0,214979118
57	CKRA	Cakra Mineral Tbk.	1	0,00292	10,91617885	0,0897752	0,141404975	0,256343919	0,26284501	12,26732554	0,812835228
58	CMNP	Citra Marga Nusaphala Persada Tbk	0	0,00000	11,73439413	0,005574419	0,000215653	0,000217264	0,626622925	12,07740116	0,007471382
59	CMPP	Rimau Multi Putra Pratama	1	0,10816	12,48497043	0,297549819	0,073272671	0,108666557	0,203649102	12,79148599	0,483043482
60	COWL	COWELL DEVELOPMENT Tbk	1	0,72602	9,802773725	0,086434704	0,054994674	0,236204626	0,007923603	11,15640719	3,295045438



61	CPGT	PT Citra Maharlika Nusantara Corpora Tbk.	0	0,00000	11,97256322	0,292021923	0,044915635	0,122699321	0,201104094	12,56613019	1,731773061
62	CPIN	Charoen Pokphand Indonesia Tbk	1	0,35903	9,275691182	0,121539296	0,056930873	0,127385182	0,230483303	12,13975065	1,23754136
63	CTBN	Citra Tubindo Tbk	1	0,08838	11,46636188	0,060868029	0,074239591	0,145890909	0,196802459	13,39243164	0,965136206
64	CTRA	Ciputra Development Tbk	1	0,53932	9,686907829	0,156708841	0,139571025	0,25356395	0,28296265	12,55266798	0,816737759
65	CTRP	Ciputra Property Tbk	0	0,00000	10,3101153	0,278387074	0,070265846	0,144732636	0,173211324	13,30351726	1,059786434
66	CTRS	Ciputra Surya Tbk	0	0,00000	10,14881116	0,142182005	0,035598406	0,066789602	0,030355398	12,99229195	0,876196412
67	DILD	Intiland Development Tbk	1	0,03617	8,225309282	0,247682447	0,056482138	0,102274436	0,167888857	12,54765514	0,810739458
68	DKFT	Central Omega Resources Tbk	1	0,01211	9,791304991	0,190396704	0,040816369	0,087834677	0,000374973	13,01142546	1,156558694
69	DNET	PT Indoritel Makmur Internasional Tbk.	0	0,00000	10,32112209	0,392522062	0,211434442	0,232096402	0,228843699	12,20282267	0,097722773
70	DOID	Delta Dunia Makmur Tbk	1	0,00282	9,690900491	45,08686623	0,052332277	0,052734278	0,009775865	12,8991926	0,007681712
71	DSNG	PT Dharma Satya Nusantara Tbk.	0	0,00000	11,41637766	0,025467517	0,017087765	0,168273382	0,412268845	13,07147281	8,847594638
72	DSSA	Dian Swastatika Sentosa Tbk	1	0,14014	11,19225793	0,132652197	0,090570087	0,283340695	0,255282011	12,85579091	2,128413648
73	DUTI	Duta Pertiwi Tbk	0	0,00000	10,57811959	0,014793898	0,006810666	0,010581994	0,233912508	13,22945484	0,553738362
74	DVLA	Darya-Varia Laboratoria Tbk	1	0,32814	9,96861986	0,454601931	0,087439462	0,112291061	0,124170967	12,90440775	0,284214911
75	DYAN	PT Dyandra Media International Tbk.	1	0,08182	10,17699469	0,082608211	0,078395798	0,078395798	0,253003724	12,13870624	0,29264497
76	EKAD	Ekadharna International Tbk	1	0,13111	11,13526756	0,091821032	0,031954633	0,057066421	0,305024925	12,25372542	0,785857479
77	ELSA	Elnusa Tbk	0	0,00000	9,121438478	0,102459368	0,114815134	0,16596297	0,261579789	11,53605506	0,445479909
78	ELTY	Bakrieland Development Tbk	1	0,66018	10,30860709	0,100586096	0,086158566	0,144105577	0,252084737	12,6441936	0,672562392
79	EMDE	Megapolitan Developments Tbk	1	0,51280	12,2338518	0,293005569	0,031912959	0,060800264	0,03724067	13,16155137	0,90519041
80	EMTK	Elang Mahkota Teknologi Tbk	1	0,39924	9,324190161	0,188336001	0,051225903	0,092839993	0	12,07774606	0,812364204
81	EPMT	Enseval Putra Megatrading Tbk	1	0,02792	12,37704177	0,000286178	0,000105134	0,11955648	0,231519194	13,24304479	0,137183869
82	ERAA	Erajaya Swasembada Tbk	1	0,04451	9,846324413	0,031309832	0,08108758	0,134432633	0,257465932	12,82917099	0,657869592
83	ERTX	Eratex Djaja Tbk	0	0,00000	11,83135128	0,027391195	0,069700116	0,126614976	0,236911826	12,69911197	0,816567651
84	ESSA	Surya Esa Perkasa Tbk	0	0,00000	9,283384316	0,00769195	0,010042203	0,031054115	0,000182436	11,83887785	2,092360701
85	ETWA	Eterindo Wahanatama Tbk	0	0,00000	11,48918993	0,121972792	0,017530377	0,026602976	0,145027365	12,55848173	0,51753039
86	EXCL	XL Axiata Tbk	1	0,46048	9,535826007	0,080688047	0,117544602	0,194068311	0,189046391	11,79288836	0,651018495
87	FASW	Fajar Surya Wisesa Tbk	1	0,01057	11,88909207	0,048568732	0,02564245	0,067503731	0,256788137	13,60506386	1,632499283
88	FISH	FKS Multi Agro Tbk	0	0,00000	10,35918138	0,001327169	0,000948753	0,002928883	0,520153067	12,74650453	2,087086517
89	FPNI	PT Lotte Chemical Titan Tbk.	0	0,00000	9,076364501	0,009986004	0,032634797	0,159352027	0,279562622	12,60325691	3,882887073
90	GDST	Gunawan Dianjaya Steel Tbk	1	0,40024	11,00730398	0,00651604	0,012782513	0,031013238	0,579571106	12,48227772	1,426223878
91	GDYR	Goodyear Indonesia Tbk	1	0,17496	9,96154233	0,047610613	0,101973151	0,133724985	0,28729944	11,99010018	0,311374448
92	GEMA	Gema Grahasarana Tbk	1	0,78948	9,782402343	0,014870162	0,021846966	0,047355293	0,277585325	12,21331536	1,167591254
93	GEMS	Golden Energy Mines Tbk	1	0,02526	9,857698465	0,029760069	0,055642109	0,13244282	0,187102431	11,65118047	1,380262402
94	GIAA	Garuda Indonesia (Persero) Tbk	1	0,58194	10,34616737	0,045198073	0,052010921	0,061670496	0,182890155	12,5365996	0,185722039

95	GLOB	Global Teleshop Tbk	1	0,05176	10,97304077	0,031920393	0,044020124	0,099413939	0,268513378	13,51573303	1,25837482
96	GOLL	PT Golden Plantation Tbk	1	0,17419	8,751823364	0,029594724	0,077285657	0,242600955	0,257924334	12,17275816	2,139016529
97	GREN	Evergreen Invesco Tbk	1	0,71101	10,20932977	0,094665046	0,006594134	0,01397909	-1,27048425	12,29570399	1,119927904
98	GTBO	Garda Tujuh Buana Tbk	0	0,00000	9,933398185	0,001884014	0,000362271	0,000493821	0,956410339	11,81389234	0,153887418
99	GWSA	Greenwood Sejahtera Tbk	0	0,00000	10,90698847	0,504814429	0,25363713	0,546964683	0,205791006	12,34687043	0,19297075
100	GZCO	Gozco Plantations Tbk	1	0,00215	10,60047492	15,09283018	0,185718279	0,201607179	0,004136477	12,83284586	0,085553775
101	HDTX	Panasia Indo Resources Tbk	0	0,00000	11,42012415	0,11020439	0,015778725	0,032816639	-0,06432344	12,50955788	1,079802973
102	HERO	Hero Supermarket Tbk	1	0,33627	9,740142312	0,003602158	0,002276656	0,004880568	-1,08733455	12,13435135	1,143744329
103	HEXA	Hexindo Adiperkasa Tbk	0	0,00000	10,97207318	0,056396474	0,086505773	0,125315909	0,150665723	12,88976674	0,448642152
104	HMSP	HM Samporna Tbk	1	0,01111	9,591840926	0,040114568	0,050713643	0,083742804	0,234461842	12,69258433	0,651287467
105	HOTL	Saraswati Griya Lestari Tbk	1	0,48956	10,78120228	0,116351058	0,272641689	0,323690923	0,256185115	13,57990614	0,187239279
106	HRUM	Harum Energy Tbk	0	0,00000	10,89355429	0,064861977	0,009921669	0,02553103	0,225849488	11,98915243	1,573259633
107	IBST	Inti Bangun Sejahtera Tbk	1	0,16789	11,53984226	0,05922984	0,103158384	0,125526997	0,212595746	12,79648056	0,216837567
108	ICBP	Indofood CBP Sukses Makmur Tbk	0	0,00000	9,200866039	0,621795172	0,075382771	0,105634199	0,23358693	12,62089358	0,401304275
109	ICON	Island Concepts Indonesia Tbk	1	0,68643	12,60769784	0,092093486	0,110055697	0,178383101	0,270968871	13,42423827	0,620843855
110	IGAR	Champion Pacific Indonesia Tbk	1	0,03518	10,38975164	0,03155136	0,019441221	0,035139408	0,292012101	11,4424889	0,807469154
111	IKBI	Sumi Indo Kabel Tbk	0	0,00000	8,953710737	0,075909888	0,133918619	0,165610639	0,186920381	11,58425888	0,236651338
112	IMAS	Indomobil Sukses Internasional Tbk	1	0,71331	8,771254982	0,014383057	0,02817662	0,035040011	0,272067239	11,99986017	0,243584394
113	IMPC	PT Impack Pratama Industri Tbk	1	0,04802	9,205250267	0,03091057	0,02783505	0,093266047	-0,04301692	13,34859733	2,350669328
114	INAF	Indofarma Tbk	1	0,03486	10,94393477	0,205057325	0,166866507	0,294229341	0,197615692	12,23972728	0,76326182
115	INAI	Indal Aluminium Industry Tbk	1	0,02847	10,11415821	0,004048161	0,004280935	0,011077457	0,536815265	12,18574284	1,587625346
116	INCF	PT Indo Komoditi Korpora Tbk	1	0,01102	8,615102677	0,020665972	0,02151135	0,119321014	0,498973244	12,1239363	4,546886371
117	INDF	Indofood Sukses Makmur Tbk	1	0,92103	9,725245811	0,013214809	0,011694999	0,036685032	0,083151814	11,62640497	2,136813637
118	INDY	Indika Energy Tbk	1	0,19246	12,81985698	0,050446687	0,03519176	0,074944193	0,348718603	13,9629918	1,129594934
119	INPP	Indonesian Paradise Property Tbk	1	0,43480	12,80266503	0,118156096	0,0371528	0,085103646	0,172648787	13,48523964	1,290638812
120	INRU	Toba Pulp Lestari Tbk	1	0,03309	10,59871021	0,116096421	0,033930384	0,062302224	0,440527048	12,29726457	0,836177985
121	INTP	Indocement Tunggal Prakarsa Tbk	1	0,00827	10,44448221	0,041288011	0,011740224	0,029821074	0,301423027	12,6224931	1,540076998
122	INVS	Inovisi Infracom Tbk	1	0,00654	10,85170465	0,244782983	0,157630952	0,182547144	0,228168599	13,44151227	0,158066618
123	IPOL	Indopoly Swakarsa Industry Tbk	0	0,00000	11,65027288	0,196826574	0,071489005	0,105392474	0,032927424	12,66199345	0,474247317
124	ISAT	Indosat Tbk	1	0,04683	10,66406895	0,017893351	0,014400178	0,026547812	0,499987619	12,57014002	0,84357522
125	ISSP	PT Steel Pipe Industry of Indonesia Tbk	1	0,28550	12,13789411	0,021741384	0,008825993	0,025130516	-0,05588604	13,7421362	1,847330117
126	ITMG	Indo Tambangraya Megah Tbk	1	0,05881	9,657055853	0,057598975	0,046331497	0,105228904	0,189832762	12,64281824	1,271217431
127	JAWA	Jaya Agra Wattie Tbk	1	0,03657	12,00278414	0,229284072	0,345983526	0,505296057	0,251818648	13,31291512	0,460462767
128	JIHD	Jakarta International Hotels & Development Tbk	0	0,00000	10,25477332	0,067953404	0,016877157	0,03928537	0,318296289	12,48607469	1,32772433

129	JKON	Jaya Konstruksi Manggala Pratama Tbk	1	0,00885	10,28455381	0,102538462	0,021171977	0,029296695	0,549785675	12,81189573	0,3837487
130	JPFA	JAPFA Comfeed Indonesia Tbk	1	0,23294	10,47148253	0,050824745	0,062668868	0,121735545	0,340146843	12,5770271	0,942520259
131	JPRS	Jaya Pari Steel Tbk	1	0,03800	10,84594099	0,02096015	0,030565287	0,085844589	0,248242382	13,23450377	1,808564818
132	JSMR	Jasa Marga Tbk	1	0,78802	7,302513376	0,077058685	0,039957144	0,041502342	0,179525381	11,57581197	0,038671379
133	JSPT	Jakarta Setiabudi Internasional Tbk	1	0,63374	13,46035107	0,133952896	0,035921067	0,106656669	0,362182543	13,5649616	1,969195469
134	JTPE	Jasuindo Tiga Perkasa Tbk	0	0,00000	10,09465546	0,250451729	0,088633642	0,137335112	0,212374586	12,5533716	0,549469362
135	KAEF	Kimia Farma (Persero) Tbk	1	0,12791	10,00223017	0,064608476	0,081759399	0,189207844	0,199871715	11,81876687	1,314202975
136	KARW	ICTSI JASA PRIMA Tbk	1	0,07777	9,751174297	0,052047978	0,078169033	0,135853573	0,251859582	12,51003858	0,737946189
137	KBLM	Kabelindo Murni Tbk	0	0,00000	11,55437158	1,828474127	0,101368638	-4,43114808	0,032603298	11,86890852	-44,71320535
138	KBLV	First Media Tbk	0	0,00000	8,874426075	0,022428346	0,031863614	0,071045728	0,251069186	11,81107183	1,229682034
139	KIJA	Kawasan Industri Jababeka Tbk	1	0,86747	12,21090975	3,905315775	0,610083816	0,842290191	0,03320273	13,11268589	0,38061389
140	KKGI	Resource Alam Indonesia Tbk	0	0,00000	9,920014448	0,271326047	0,053692033	0,09559348	0,16987854	12,84989938	0,780403419
141	KLBF	Kalbe Farma Tbk	1	0,00228	9,020236128	0,109770177	0,227258962	0,321830778	0,338280576	12,13088135	0,416141191
142	KOBX	Kobexindo Tractors Tbk	1	0,00872	11,62501181	0,122122613	0,170711071	0,216052543	0,232358796	13,09429753	0,26560358
143	KOIN	Kokoh Inti Arebama Tbk	1	0,04356	9,566616026	0,039326394	0,03570894	0,128678078	0,229442869	12,27641608	2,603525544
144	KONI	Perdana Bangun Pusaka Tbk	1	0,01694	9,907677191	0,021976998	0,050392589	0,231604846	0,219031606	11,72056314	3,596010091
145	KPIG	MNC Land Tbk	0	0,00000	8,986571178	0,011823006	0,011951276	0,053678711	0,512322722	11,07321572	3,491462831
146	KRAH	PT Grand Kartech Tbk	1	0,50285	9,159820252	0,413885223	0,042082853	0,052294028	0,052880612	12,99846014	0,242644563
147	LAMI	Lamicitra Nusantara Tbk	0	0,00000	8,873661777	0,103174602	0,096479192	0,205007735	0,229388928	11,51749898	1,124890679
148	LINK	PT Link Net Tbk.	1	0,87201	9,21488807	0,59992991	0,239709303	0,278381804	0,003787404	11,80653227	0,161330833
149	LMAS	Limas Indonesia Makmur Tbk	1	0,21138	10,82478947	0,249451413	0,144131429	0,174424778	0,338812704	12,64719865	0,210178651
150	LPCK	Lippo Cikarang Tbk	1	0,21447	10,53451873	0,065325064	0,032707771	0,145452294	0,313114183	11,74231419	3,447025539
151	LPKR	Lippo Karawaci Tbk	0	0,00000	8,727370785	0,285532933	0,126192941	0,313691176	0,145563477	12,31004692	1,485806055
152	LPLI	Star Pacific Tbk	1	0,03209	11,72829735	0,114938291	0,024781174	0,054138256	0,202913418	13,61622924	1,184652563
153	LSIP	PP London Sumatra Indonesia Tbk	1	0,28210	10,90783577	5,626714632	0,211504856	0,220343107	0,030418915	12,39657679	0,143587433
154	LTLS	Lautan Luas Tbk	1	0,40014	11,37843606	0,148774768	0,07044001	0,084942882	0,247104056	12,94688399	0,205889688
155	MAGP	Multi Agro Gemilang Plantation Tbk	1	0,16510	10,08926909	0,005779741	0,006310016	0,021012336	0,558008754	12,73185699	2,32999716
156	MAPI	Mitra Adiperkasa Tbk	1	0,42002	8,922959078	0,101949306	0,005476745	0,016876844	0,391095899	11,8418344	2,081546103
157	MASA	Multistrada Arah Sarana Tbk	1	0,00000	11,05262084	0,033674199	0,041980039	0,135011693	0,324287361	12,89255647	2,216092644
158	MBSS	Mitrabahtera Segara Sejati Tbk	1	0,14147	10,30318207	0,014440291	0,006566571	0,010951511	0,790740031	12,91069923	0,667767031
159	MBTO	Martina Berto Tbk	1	0,09950	10,0285821	0,159844382	0,061498085	0,085263029	0,167869953	12,66074709	0,386433883
160	MDIA	PT Intermedia Capital Tbk.	1	0,92843	9,236338124	0,065794318	0,078754784	0,106504118	0,215911917	11,73373786	0,352351089
161	MDLN	Modernland Realty Ltd Tbk	1	0,13999	9,764612973	0,258563021	0,190219805	0,254015948	0,255656235	12,26870785	0,335381182
162	MDRN	Modern Internasional Tbk	0	0,00000	12,05729966	0,306497039	0,068007222	0,144189256	0,090290776	13,1086682	1,120205064

163	MEDC	Medco Energi Internasional Tbk	1	0,00559	11,45319136	0,028325434	0,017089351	0,030423145	0,349155948	12,37719189	0,772662994
164	MERK	Merck Tbk	1	0,44615	13,09809249	0,046812704	0,015388343	0,048467522	0,792762026	13,53887971	1,93889488
165	META	Nusantara Infrastructure Tbk	1	0,00000	9,680243658	0,146944528	0,25173353	0,342519287	0,252496923	11,84319933	0,360642288
166	MFMI	Multifiling Mitra Indonesia Tbk	0	0,00000	12,14017331	0,365131353	0,0435997	0,081025867	0,224595281	12,6848628	0,858404227
167	MICE	Multi Indocitra Tbk	1	0,04696	8,911386062	0,194899662	0,08912955	0,101350102	0,252516312	11,26667068	0,137109998
168	MIKA	PT Mitra Keluarga Karyasehat Tbk.	1	0,01590	9,923024552	0,075742684	0,06331662	0,079123934	0,387396435	11,82228461	0,249655053
169	MIRA	Mitra International Resources Tbk	1	0,02823	9,348439436	0,274610826	0,247723838	0,295795364	0,197998933	12,33378297	0,194052889
170	MITI	Mitra Investindo Tbk	1	0,19083	10,01032703	0,040529472	0,024564993	0,032462757	0,114913985	11,60750077	0,321504804
171	MKPI	Metropolitan Kentjana Tbk	0	0,00000	9,846630448	0,130586558	0,138247622	0,237372625	0,169261451	11,11948578	0,700667702
172	MLBI	Multi Bintang Indonesia Tbk	0	0,00000	9,382066569	0,437800809	0,101353864	0,202361994	0,244780496	12,635103	0,99658884
173	MLPL	Multipolar Tbk	0	0,00000	7,477121255	0,272969469	0,415609926	0,956840692	0,254383993	12,08664915	1,302256595
174	MLPT	PT Multipolar Technology Tbk.	1	0,44452	11,24878466	0,013176147	0,011824307	0,023618499	-0,07416769	13,14885498	0,997453167
175	MNCN	Media Nusantara Citra Tbk	1	0,64243	10,50220933	0,00454053	0,005775241	0,138000514	0,192531559	12,22613328	1,38951955
176	MPMX	PT Mitra Pinasthika Mustika Tbk.	1	0,08770	11,92885142	0,198135125	0,08822156	0,133484794	0,240251836	13,16060528	0,513063179
177	MPPA	Matahari Putra Prima Tbk	1	0,00000	12,07713052	0,018495478	0,021253483	0,057630106	0,386216552	13,16078065	1,711560533
178	MYOH	Samindo Resources Tbk	1	0,00000	9,800442121	0,040765305	0,095072773	0,194481596	0,241942811	12,76546693	1,045607694
179	MYRX	Hanson International Tbk	1	0,98759	9,218894992	0,109275438	0,153396697	0,264951308	0,261447937	12,32213084	0,72722955
180	OKAS	Ancora Indonesia Resources Tbk	1	0,00000	10,63585107	0,001439127	4,58508E-05	5,01229E-05	0,98133173	12,72720466	0,093173281
181	OMRE	Indonesia Prima Property Tbk	0	0,00000	10,48162512	0,254928636	0,123055722	0,18085675	0,197514359	11,8681866	0,469714263
182	PALM	Provident Agro Tbk	0	0,00000	10,93942435	0,062258107	0,008854851	0,022975336	0,319163214	12,44860862	2,212418189
183	PANR	Panorama Sentrawisata Tbk	1	0,08369	7,879525945	0,012887755	0,032221184	0,113421498	0,323780102	12,00933035	3,742433693
184	PBRX	Pan Brothers Tbk	0	0,00000	10,64719053	0,030758536	0,044685665	0,105488512	0,180154311	12,48360115	1,360678992
185	PGAS	Perusahaan Gas Negara (Persero) Tbk	1	0,42486	11,8194883	0,218548581	0,124969676	0,247272083	0,037283926	13,86975698	1,207530649
186	PJAA	Pembangunan Jaya Ancol Tbk	0	0,00000	10,79364179	0,180409995	0,072363697	0,129276147	0,300648931	12,41947264	0,733194275
187	PNSE	Pudjiadi & Sons Tbk	0	0,00000	9,733421513	0,181916696	0,105845767	0,174643755	0,228280231	11,64928672	0,649983367
188	POOL	Pool Advista Indonesia Tbk	1	0,92655	8,986164297	1,051582165	0,11571355	0,133876315	0,029922192	11,21429642	0,156963167
189	PPRO	PT PP Properti Tbk.	0	0,00000	9,049778825	0,199531034	0,056463815	0,119292245	0,194263374	12,72582646	1,112720252
190	PSAB	J RESOURCES ASIA PASIFIK Tbk	0	0,00000	12,77950591	0,109116619	0,037702585	0,098559913	0,458673315	13,03346088	1,614142026
191	PSDN	Prasidha Aneka Niaga Tbk	1	0,06811	9,054927938	0,016663825	0,031271983	0,051059058	0,506858226	11,83367759	0,580349388
192	PTBA	Tambang Batubara Bukit Asam Tbk	1	0,67161	11,17238398	0,148330153	0,120581616	0,219337894	0,235260133	13,2277336	0,818999462
193	PTIS	Indo Straits Tbk	1	0,11218	9,625597855	0,094226321	0,045330961	0,070101799	0,193981916	11,99456135	0,502140819
194	PTPP	PP (Persero) Tbk	1	0,28766	9,049778825	0,059473948	0,04420365	0,165179013	0,343269174	13,28168799	2,73677317
195	PTRO	Petrosea Tbk	1	0,10544	10,44346489	0,006474733	0,004816861	0,011684048	0,897614179	12,78467477	1,425656158
196	PTSP	Pioneerindo Gourmet International Tbk	0	0,00000	10,5280601	0,092708234	0,203211485	0,386189559	0,247568503	11,12526255	0,900431752

197	PWON	Pakuwon Jati Tbk	0	0,00000	9,243989228	0,375123312	0,122232474	0,277037192	0,146217988	12,968401	1,266477825
198	PYFA	Pyridam Farma Tbk	0	0,00000	7,998581861	0,014171176	0,019300249	0,030498337	0,322250019	11,20398842	0,58020434
199	RAJA	Rukun Raharja Tbk	0	0,00000	11,68594485	0,063657442	0,054162915	0,123809381	0,361203145	12,24960211	1,285869955
200	RANC	Supra Boga Lestari Tbk	1	0,31595	10,408188	0,02553225	0,046723096	0,083780269	0,224037275	11,85252821	0,793123243
201	RICY	Ricky Putra Globalindo Tbk	0	0,00000	8,828133261	0,012119795	0,011238343	0,033657633	0,39879414	12,07852709	1,994892853
202	RMBA	Bentoe International Investama Tbk	0	0,00000	10,29821972	0,030386463	0,048310558	0,136163031	0,369386506	12,80167511	1,818494236
203	ROTI	Nippon Indosari Corpindo Tbk	1	0,47853	9,884313343	0,124414112	0,099965391	0,227623681	0,284765247	12,43237973	1,277024864
204	RUIS	Radiant Utama Interinsco Tbk	0	0,00000	10,83751306	0,016495794	0,023189994	0,113156567	0,474202505	12,10651145	3,879542814
205	SCBD	Danayasa Arthatama Tbk	1	0,00085	10,28455381	0,642484053	0,316106038	0,408487413	0,078299208	12,74432657	0,292248055
206	SCMA	Surya Citra Media Tbk	1	0,01883	11,68106812	0,359840546	0,33399235	0,446731628	0,251890199	12,65953244	0,337550477
207	SDPC	Millennium Pharmacon International Tbk	0	0,00000	9,904944439	0,008395939	0,025539356	0,094128888	0,257509571	11,58614798	2,685640583
208	SGRO	Sampoerna Agro Tbk	1	0,08891	10,99742008	0,037127179	0,026676195	0,044607882	0,314077185	12,65443218	0,907692694
209	SIDO	PT Industri Jamu dan Farmasi Sido Muncul Tbk	1	0,01833	10,96078461	0,19719085	0,156458381	0,168368796	0,219350855	12,44655441	0,076125133
210	SILO	PT Siloam International Hospitals Tbk.	0	0,00000	11,47564336	0,014890037	0,02066326	0,035464248	0,416472347	12,47512909	0,716294925
211	SIMP	Salim Ivomas Pratama Tbk	1	0,27431	12,36044004	0,109506171	0,057051054	0,09421462	0,246484533	13,42446446	0,651408934
212	SIPD	Sierad Produce Tbk	0	0,00000	10,65909956	0,005820676	0,008878044	0,018450772	0,310489088	12,42186754	1,078247414
213	SKYB	Skybee Tbk	1	0,58936	10,90909842	0,007401312	0,012137526	0,055609103	0,049446026	12,02077249	3,581584822
214	SMAR	SMART Tbk	1	0,85430	10,38953818	0,056374689	0,121298006	0,24343594	0,251838942	13,16796383	1,006924496
215	SMBR	PT Semen Baturaja (Persero) Tbk	1	0,00433	9,529279146	0,24238185	0,108356085	0,120087393	0,201243396	12,5143708	0,108266252
216	SMCB	Holcim Indonesia Tbk	1	0,01800	11,40130574	0,11802808	0,097124323	0,141294442	0,250811123	13,03943399	0,454779163
217	SMDR	Samudera Indonesia Tbk	1	0,09674	10,67474867	0,041661184	0,034100487	0,072731587	0,257067304	12,90945573	1,132860659
218	SMGR	Semen Indonesia (Persero) Tbk	1	0,23578	12,06674912	0,167689448	0,118612611	0,164916522	0,213304691	13,58153005	0,390379331
219	SMMT	GOLDEN EAGLE ENERGY Tbk	0	0,00000	9,118942266	0,550015122	0,030859009	0,041655848	0,037104552	11,79702527	0,349876401
220	SOBI	Sorini Agro Asia Corporindo Tbk	1	0,00854	8,844638686	0,049674665	0,023081401	0,046778395	0,19273112	12,18910165	1,026670517
221	SOCI	PT Soechi Lines Tbk.	1	0,48531	9,656306851	0,28869861	0,079834883	0,146935496	0,034319512	12,82470839	0,840492409
222	SQBB	Taisho Pharmaceutical Indonesia Tbk	1	0,16397	8,45590416	0,291830013	0,323703347	0,424250198	0,243783246	11,66654374	0,310614184
223	SQMI	RENUKA COALINDO Tbk	1	0,00000	10,63006175	0,001144437	0,001112882	-0,08110556	0,434720173	11,30579732	-73,87883211
224	SRAJ	Sejahteraraya Anugrahjaya Tbk	1	0,25142	9,650700541	0,024294731	0,003821899	0,007224442	0,25093583	12,09215696	0,890275801
225	SRSN	Indo Acidatama Tbk	1	0,00492	8,611613924	0,040768959	0,038010833	0,050876382	0,510383031	11,62405772	0,338470614
226	SRTG	PT Saratoga Investama Sedaya Tbk.	0	0,00000	11,0094424	0,338981262	0,08691538	0,126438404	0,134125355	13,22275392	0,454729921
227	SSMS	PT Sawit Sumbermas Sarana Tbk.	0	0,00000	10,98674796	0,247543752	0,084192166	0,193517988	0,242833792	12,84347266	1,298527259
228	STTP	Siantar Top Tbk	1	0,49382	9,549755304	0,041525561	0,045653306	0,087080573	0,293251897	11,97070287	0,90743193
229	SUGI	Sugih Energy Tbk	0	0,00000	11,99879006	29,93824041	0,064227322	0,114780984	-0,0701911	12,83357628	0,787105247
230	SULI	PT SLJ Global Tbk	0	0,00000	10,63636752	0,010387396	0,006128062	-0,01505961	0,645900167	11,95453725	-3,457483007

231	SUPR	Solusi Tunas Pratama Tbk	0	0,00000	11,11160736	0,235222378	0,031312548	0,086203042	0,263003965	12,80008941	1,752987138
232	TALF	PT Tunas Alfin Tbk	1	0,00000	7,850038944	0,105834142	0,112441142	0,140975002	0,258414956	11,53328215	0,253767074
233	TARA	PT Sitara Propertindo Tbk	1	0,00000	9,801080343	0,037170433	0,00425719	0,006579578	0,578792917	11,98634209	0,442183183
234	TAXI	Express Transindo Utama Tbk	0	0,00000	11,08881338	0,193052679	0,062053648	0,166356148	0,23766501	12,32981272	1,680843957
235	TBIG	PT Tower Bersama Infrastructure Tbk	0	0,00000	11,79820024	0,414932569	0,062271893	0,332145816	0,040864331	13,34309496	4,333799884
236	TBLA	Tunas Baru Lampung Tbk	1	0,79461	9,621695462	0,112849766	0,099214346	0,262006514	0,220042746	12,62783861	1,640812784
237	TCID	Mandom Indonesia Tbk	1	0,96029	10,29035278	0,08463242	0,123833359	0,13723742	0,263506931	12,05341079	0,108242725
238	TELE	Tiphone Mobile Indonesia Tbk	1	0,02244	11,74138957	0,01681736	0,051993788	0,131648648	0,259773847	12,85301137	1,532007241
239	TFCO	Tifico Fiber Indonesia Tbk	1	0,00000	10,25867651	0,082000296	0,085140754	0,112226846	-0,01519864	12,70249865	0,014687421
240	TGKA	Tigaraksa Satria Tbk	0	0,00000	10,44517736	0,020578604	0,074084374	0,232585651	0,267074329	12,42263937	2,139469737
241	TKIM	Pabrik Kertas Tjiwi Kimia Tbk	1	0,66682	10,92024651	0,053276192	0,027409429	0,094878639	0,22188947	13,52442438	2,461532864
242	TLKM	Telekomunikasi Indonesia (Persero) Tbk	1	0,14024	12,48515335	0,227549527	0,140317621	0,249571863	0,2560462	14,22056046	0,77862097
243	TMPI	PT Sigmagold Inti Perkasa Tbk.	1	0,09249	9,658869592	0,020350723	0,003193822	0,004035193	-0,66911412	12,11079472	0,263436961
244	TMPO	Tempo Inti Media Tbk	1	0,02276	9,286729895	0,112471555	0,139530481	0,253843554	0,153996639	11,32724856	0,819269541
245	TOBA	Toba Bara Sejahtra Tbk	1	0,58144	11,99221267	0,082028718	0,111034885	0,265201281	0,31345793	12,60834195	1,38845009
246	TOTL	Total Bangun Persada Tbk	1	0,07675	9,757488724	0,084412501	0,067211052	0,220812284	0,030738317	12,45425818	2,28535678
247	TOWR	Sarana Menara Nusantara Tbk	0	0,00000	12,19031068	0,663272767	0,138428645	0,386100272	0,250928606	13,33075274	1,789164579
248	TPMA	Trans Power Marine Tbk	0	0,00000	9,680172502	0,165490639	0,088184975	0,191710365	0,006762964	12,24855409	1,173957244
249	TRIO	Trikonsel Oke Tbk	0	0,00000	8,751823364	0,048226585	0,06065474	0,246382793	0,257356954	12,91606363	3,062053405
250	TRST	Trias Sentosa Tbk	1	0,02053	9,163027931	0,071081201	0,067528466	0,108563648	0,201894795	12,32887881	0,607672359
251	TSPC	Tempo Scan Pacific Tbk	1	0,00453	11,38388353	0,064684939	0,084207075	0,122020164	0,251576199	12,79828656	0,44904884
252	ULTJ	Ultra Jaya Milk Industry Tbk	0	0,00000	10,27170392	0,093961183	0,115637002	0,161341826	0,255524636	12,44895678	0,395243936
253	UNTR	United Tractors Tbk	1	0,03302	12,72417023	0,056587268	0,045247038	0,071144354	0,333983265	13,79039354	0,572353834
254	UNVR	Unilever Indonesia Tbk	1	0,09925	11,7338398	0,174027028	0,401000121	1,258058792	0,252302199	13,12542231	2,137302776
255	VIVA	PT Visi Media Asia Tbk	1	0,32828	11,77867355	0,076827766	0,028111716	0,064973109	0,538039384	12,78932978	1,311246638
256	WEHA	PT WEHA Transportasi Indonesia Tbk	1	0,55730	8,837990202	0,014647743	0,007358824	0,021673843	0,209169016	11,67879881	1,945286329
257	WICO	Wicaksana Overseas International Tbk	1	0,03570	9,261947133	0,20614303	0,54333406	0,935983941	0,049161046	11,1883693	0,722667526
258	WIKA	Wijaya Karya Tbk	1	0,12940	9,685477679	0,060240936	0,047174879	0,150799815	0,34682064	13,20181105	2,196612683
259	WSKT	Waskita Karya (Persero) Tbk	1	0,36273	10,40130091	0,048723815	0,039962617	0,175936372	0,336670868	13,09836823	3,402523801