

ABSTRACT

Tax avoidance by multinational corporations (MNCs) has been a major concern in global tax policy, especially in Southeast Asia. This research aims to empirically examine the effect of transfer pricing and tax haven utilization on tax avoidance among multinational companies listed on the stock exchanges in Indonesia, Malaysia, the Philippines, and Thailand from 2020 to 2022.

Using a purposive sampling method, the study examines a sample of 176 multinational companies. The analysis is conducted using multiple linear regression, with company size and tax ratio as control variables.

The main findings of the study demonstrate that: (i) Transfer pricing has a significant positive effect on tax avoidance, indicating that companies use transfer pricing strategies to reduce their effective tax rates and (ii) Tax haven utilization has a significant positive effect on tax avoidance, suggesting that companies use tax havens to minimize their tax liabilities. The study concludes that transfer pricing and tax haven utilization are crucial strategies for multinational corporations in minimizing tax obligations, aligning with Agency Theory.

Keywords: Transfer Pricing, Tax Haven Utilization, Tax Avoidance, Multinational Corporations, ASEAN-4, Agency Theory.