

ABSTRACT

This study aims to examine the effect of transfer pricing and sustainability report on tax avoidance with independent commissioners as a moderating variable. Therefore, this study uses tax avoidance measured by the Effective Tax Rate (ETR) as the dependent variable, transfer pricing and sustainability report as independent variables, and independent commissioners as a moderating variable. This study also adds two control variables, namely firm size and leverage.

The population in this study is all non-financial companies listed on the Indonesia Stock Exchange (IDX) during 2022-2024. The research sample was selected based on a purposive sampling method, resulting in 37 companies with a total of 111 observations. Hypothesis testing was conducted through panel data regression with Random Effect Model (REM) as the most appropriate model, and processed using EViews 12.

The test results show that transfer pricing has no effect on tax avoidance. Furthermore, sustainability report has a negative effect on tax avoidance. Meanwhile, the presence of independent commissioners has not been proven to be able to weaken the positive effect of transfer pricing on tax avoidance or strengthen the negative effect of sustainability report on tax avoidance.

Keywords: transfer pricing, sustainability report, tax avoidance, independent commissioners