

## **ABSTRACT**

*This study examine the determinants of financial and nonfinancial of transfer pricing in the firms in Indonesia. The dependent variable in this study is transfer pricing, as measured by logistic regression analysis of the value of the related party transaction (RPT) purchases and sales. The independent variable of this study is profitability, leverage, multinationality, and tax havens. Control variables used in this study is the industrial sector and company size.*

*The method which is being used by this study is secondary data analysis towards annual reports of firms in Indonesia. The population in this study are all firm listed in Indonesia Stock Exchange in years 2011-2013. Sampling method in this research is purposive sampling. The total sample in this study are 102 firms.*

*After going through the stage of data processing and analysis techniques used were logistic regression analysis. The analysis showed that the independent variables are profitability and leverage effect on transfer pricing in RPTpurchases and RPTsales, while for variable multinationality effect on transfer pricing in RPTpurchases and multinationality no effect on transfer pricing in RPTsales. The variable tax haven no effect on transfer pricing in RPTpurchases and RPTsales.*

*Keywords: Transfer pricing, profitability, multinationality, tax haven*