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The Influence of Bonus Mechanisms, Profitability, Leverage, and Foreign Ownership on Transfer Pricing Decisions in Food and Beverage Manufacturing Companies Listed on the IDX for the 2021–2024 Period

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ABSTRACT

Transfer pricing has become a strategic instrument for companies to shift profits through related-party transactions, drawing the attention of tax authorities in various countries. This study aims to examine the influence of bonus mechanisms, profitability, leverage, and foreign ownership on transfer pricing decisions in food and beverage manufacturing companies listed on the Indonesia Stock Exchange for the 2021–2024 period. The sample was selected using a purposive sampling method, resulting in 15 companies with 60 observations. Data were analyzed using multiple linear regression in SPSS, preceded by a classical assumption test. The results show that bonus mechanisms, profitability, and leverage have no significant effect on transfer pricing, while foreign ownership has a significant negative effect. Simultaneously, all four variables significantly influence transfer pricing, explaining 16.4% of the variation (adjusted R^2). These findings indicate that foreign shareholders act as an external monitoring mechanism that suppresses aggressive related-party transactions. This study adds to the transfer pricing literature by highlighting ownership structure as a more relevant determinant than internal financial incentives in non-multinational manufacturing companies.

Keywords: Bonus Mechanism, Profitability, Leverage, Foreign Ownership, Transfer Pricing

INTRODUCTION

The food and beverage manufacturing sector is a key pillar of the Indonesian economy, contributing significantly to the national manufacturing Gross Domestic Product (GDP) and export value, which continues to increase annually (Investor Trust, 2026; Suryani Suyanto & Associates, 2024). This sector's growth has been accompanied by an increase in the complexity of business transactions between entities within a corporate group, including transactions with related parties, which have the potential to be exploited for transfer pricing policies. Transfer pricing is a pricing policy for transactions of goods, services, and intangible assets between related entities, ideally adhering to the arm's length principle as stipulated in the OECD Transfer Pricing Guidelines (OECD, 2022). However, in practice, transfer pricing is often used as an

instrument for shifting profits between entities to minimize tax burdens or fulfill certain managerial interests, as reflected in the case of alleged financial inflation in one of Indonesia's food sector issuers (CNBC Indonesia, 2019a, 2019b).

Various internal company factors are thought to influence transfer pricing decisions. Positive Accounting Theory (Watts & Zimmerman, 1986) explains that managers are motivated to manage reported earnings through a number of mechanisms, including transfer pricing, to meet profit-based compensation targets (bonus plan hypothesis), avoid political cost pressures during high profitability (political cost hypothesis), or maintain compliance with debt covenants (debt covenant hypothesis). On the other hand, Agency Theory (Jensen & Meckling, 1976) explains that ownership structure, including the involvement of foreign shareholders, acts as an external monitoring mechanism that can suppress opportunistic behavior of managers in conducting related party transactions.

Previous research on the determinants of transfer pricing has yielded mixed results. Lukmono and Adam (2019) and Ginting (2021) found that bonus mechanisms and leverage influence transfer pricing policies, while Pratama (2021) and Gurusinga *et al* . (2024) found no significant effect on leverage. Regarding profitability, Putri and Handayani (2021) noted a positive effect, in contrast to Rahmawati (2020), who found no significant effect. Most of these studies focused on internal financial incentives, while aspects of ownership structure, particularly foreign ownership, have been relatively rarely directly examined in the context of non-multinational manufacturing companies in Indonesia. A recent study by Ningsih *et al* . (2024), which examined foreign ownership in food and beverage subsector companies listed on the IDX, found that the effect was not yet partially significant. Widyasari *et al* . (2024) found that foreign ownership negatively affected the aggressiveness of related transactions in the context of tax avoidance, and Fidianto *et al* . (2025) also confirmed the role of foreign ownership in shaping transfer pricing decisions. These differing results indicate that the role of ownership structure on transfer pricing in Indonesian non-multinational manufacturing issuers still requires further empirical testing.

Based on the above description, this study aims to fill the research gap by simultaneously examining the influence of bonus mechanisms, profitability, leverage, and foreign ownership on transfer pricing decisions in food and beverage manufacturing companies listed on the Indonesia Stock Exchange for the 2021–2024 period. The originality of this study lies in the addition of foreign ownership as a proxy for external oversight mechanisms, combined with three internal managerial incentive variables in a single regression model, in the context of non-multinational manufacturing issuers, which have received less research attention than multinational companies. The purpose of this study is to identify and analyze the influence of bonus mechanisms, profitability, leverage, and foreign ownership, both partially and simultaneously, on transfer pricing decisions.

The food and beverage industry was chosen as a research object due to its characteristically dense inter-entity transaction nature within a single business group, from raw material procurement and distribution to product marketing, thus potentially involving

transactions with related parties. Data from the Ministry of Industry indicates that this sector has grown significantly and become the largest contributor to national manufacturing GDP (Investor Trust, 2026). This has been accompanied by an expansion of company ownership structures, including the entry of foreign investors into several large issuers in this subsector. This situation makes examining the influence of ownership structure on transfer pricing in this sector relevant both from an academic perspective and for the oversight purposes of tax authorities.

Practically, the findings of this study are expected to provide input for tax authorities in formulating transfer pricing oversight strategies that consider a company's ownership structure, not just internal financial indicators. Academically, this study enriches the transfer pricing literature by integrating Positive Accounting Theory and Agency Theory perspectives into a single empirical model, and opens up space for further research to examine other variables such as effective tax burden and tunneling incentives not covered in this study.

RESEARCH METHODS

This study uses an associative quantitative approach with secondary data in the form of audited annual financial reports of manufacturing companies in the food and beverage subsector listed on the Indonesia Stock Exchange for the 2021–2024 period. The study population consisted of 27 companies, which were then selected using a purposive sampling technique based on six criteria: consistency of recording during the study period, publication of audited financial reports, completeness of data for all variables, disclosure of related party transactions, no consecutive net losses, and disclosure of shareholder composition. The selection process resulted in 15 sample companies with 60 observations (*firm-year*). The dependent variable is the *transfer pricing decision* (Y), measured by the ratio of related party receivables to total receivables. The independent variables consist of the bonus mechanism (X1), measured by the Net Profit Trend Index (ITRENDLB); *profitability* (X2), measured by *Return on Assets* (ROA); *leverage* (X3), measured by *the Debt to Equity Ratio* (DER); and foreign ownership (X4), measured using a dummy variable (1 = foreign shareholders present; 0 = none). Data analysis was performed through multiple linear regression using SPSS, preceded by classical assumption tests (normality, multicollinearity, heteroscedasticity, and autocorrelation) to ensure the model is *the Best Linear Unbiased Estimator* (BLUE). Hypothesis testing was performed through the t-test (partial), F-test (simultaneous), and coefficient of determination (adjusted R^2) at a significance level of 0.05.

RESULTS AND DISCUSSION

This study uses 60 observations (*firm-years*) from 15 sample companies. The data processing results are presented in stages, starting with descriptive statistics and classical assumption tests, then regression analysis and hypothesis testing.

Descriptive Statistics.

Table 1. Descriptive statistical results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Standard Deviation
Bonus Mechanism	60	-10.8225	3.6966	1.013611	1.6461373
Profitability	60	-.0341	.3319	.101654	.0714362
Leverage	60	.1002	2.4650	.823091	.5927041
Kepemilikan Asing	60	.0000	1.0000	.266667	.4459485
Transfer Pricing	60	.0002	.9971	.463921	.3490607
Valid N (listwise)	60				

Sumber: date diolah, 2026 (SPSS)

Table 1 shows that the average transfer pricing ratio (Y) is 0.4639 with a standard deviation of 0.3491, indicating a fairly wide variation in the related party transaction ratio among sample companies. The bonus mechanism (X1) has a very wide range of values (-10.8225 to 3.6966), reflecting sharp fluctuations in net profit growth in some companies. Profitability (X2) and leverage (X3) show a relatively moderate spread, while foreign ownership (X4) has an average of 0.2667, meaning that 26.7% of the 60 observations come from companies with foreign shareholders in their ownership structure.

Classical Assumption Test

Summarizes the results of normality, multicollinearity, heteroscedasticity, and autocorrelation tests.

Table 2. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		60
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.30812541
Most Extreme Differences	Absolute	.093
	Positive	.083
	Negative	-.093
Test Statistic		.093
Asymp. Sig. (2-tailed)		.200[c,d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Sumber: data diolah, 2026 (SPSS)

The normality test is intended to ensure that the residuals of the regression model are distributed following a normal distribution, considering that the validity of statistical inference in the t-test and F-test requires this assumption to be met (Ghozali, 2018). The test was conducted using the One-Sample Kolmogorov-Smirnov (KS Test) method with the following decision-making criteria: if the Asymp. Sig. (2-tailed) value is greater than 0.05, the residual data is declared normally distributed, and vice versa. The test results in Table 2 show a Test Statistic value of 0.093 with an Asymp. Sig. (2-tailed) of 0.200. Because the significance value is far above the 0.05 threshold, it can be concluded that the residual data in this research regression model is normally distributed. By fulfilling the normality assumption, the regression coefficient estimates generated in the next analysis stage can be interpreted validly without bias due to deviations in data distribution.

Tabel 3. Hasil Uji Multikolinearitas

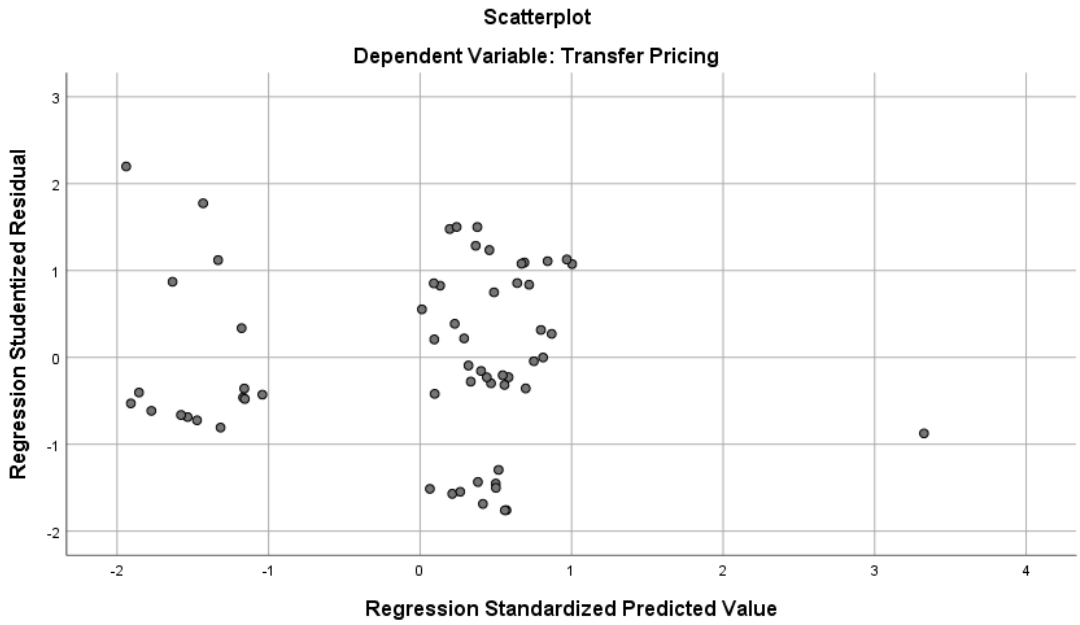
Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.615	.102		6.047	.000		
	Mekanisme Bonus	-.033	.027	-.156	-1.245	.218	.901	1.110
	Profitability	-.528	.688	-.108	-.768	.446	.714	1,401
	Leverage	.014	.072	.023	.191	.849	.956	1,045
	Foreign Ownership	-.280	.104	-.358	-2,691	.009	.801	1,248
a. Dependent Variable: Transfer Pricing								

Source: processed data, 2026 (SPSS)

Multicollinearity tests are conducted to detect the presence or absence of a high correlation between independent variables in the regression model, because a strong correlation between predictors can cause instability in coefficient estimates and enlarged standard errors (Ghozali, 2018). The indicators used are the Tolerance and Variance Inflation Factor (VIF) values, with the model being declared free from multicollinearity if the Tolerance value is greater than 0.10 and the VIF value is less than 10. The Tolerance and VIF columns in Table 3 show that the bonus mechanism has a Tolerance value of 0.901 and a VIF of 1.110; profitability has a Tolerance value of 0.714 and a VIF of 1.401; leverage has a Tolerance value of 0.956 and a VIF of 1.045; and foreign ownership has a Tolerance value of 0.801 and a VIF of 1.248. All of these values are far within the required safe range, so there is no indication of a strong linear relationship between the independent variables. Thus, the four independent variables in this study—bonus mechanism, profitability, leverage, and foreign ownership—can be used together

in the regression model without compromising the accuracy and stability of the coefficient estimates of each variable.

Table 4. Results of Heteroscedasticity Test



Source: processed data, 2026 (SPSS)

The heteroscedasticity test aims to test whether there is inequality in the residual variance in the regression model from one observation to another. A good regression model should be homoscedastic, that is, have a constant residual variance (Ghozali, 2018). Detection is done graphically through the distribution pattern of points in the Scatterplot diagram between the Regression Standardized Predicted Value value on the X-axis and the Regression Studentized Residual on the Y-axis, with the model criteria being declared free from heteroscedasticity if the points spread randomly above or below zero without forming a specific pattern, such as a wavy pattern, narrowing, or widening systematically. The Scatterplot graph in Table 4 shows that the residual points are spread randomly without forming a clear pattern, both at low and high predicted values. Thus, the regression model in this study is declared free from heteroscedasticity symptoms, which means that the variation of the error term is constant across the entire range of independent variable values and is not affected by differences in scale or company size in the study sample.

Table 5. Autocorrelation Test Results

Model Summary [b]					
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.470 [a]	.221	.164	.3191333	.968
a. Predictors: (Constant), Foreign Ownership, Leverage, Bonus Mechanism, Profitability					
b. Dependent Variable: Transfer Pricing					

Source: processed data, 2026 (SPSS)

An autocorrelation test is performed to detect the presence or absence of correlation between residuals from one observation and residuals from another observation. This, if present, can bias the standard error estimate, thus inaccurately testing the hypothesis (Ghozali, 2018). This test is generally performed using the Durbin-Watson (DW) statistic, with a DW value close to 2 indicating no autocorrelation, while a value far from it (close to 0 or 4) indicates positive or negative autocorrelation. The test results in Table 5 show a Durbin-Watson value of 0.968. This value needs to be interpreted with caution, considering that the study's data structure is a pooled cross-section, namely a combination of data from 15 different companies observed over four years (2021–2024). Therefore, the Durbin-Watson test, which is essentially designed for pure time series data, has limited interpretation in the context of pooled summarized panel data. This condition is a common occurrence in financial accounting research based on similar pooled cross-section data (Ghozali, 2018) and does not necessarily indicate a serious violation of the validity of the regression results, especially since the results of the normality, multicollinearity, and heteroscedasticity tests in the previous stage have been met properly.

Overall, the results in Tables 2 and 5 indicate that the regression model in this study has met all the classical assumptions, namely a normal distribution, free from multicollinearity, free from heteroscedasticity, and does not indicate a serious violation of autocorrelation. The fulfillment of these four assumptions indicates that the multiple linear regression model used is a Best Linear Unbiased Estimator (BLUE), so that the resulting coefficient estimates are unbiased, consistent, and efficient. Thus, this model is suitable for use as a basis for conducting regression analysis and hypothesis testing in the next stage.

Regression Analysis and Hypothesis Testing

Table 6. Results of Multiple Linear Regression Analysis Test

Multiple Linear Regression Analysis Test Results

Unstandardized Coefficients			
Model		**Regression Coefficient (B)**	**Std. Error**
1	Constant	0.615	0.102
	Bonus Mechanism	-0.033	0.027
	Profitability	-0.528	0.688
	Leverage	0.014	0.072
	Foreign Ownership	-0.280	0.104

Source: processed data, 2026 (SPSS)

Based on the table above, the multiple linear regression equation is obtained as follows:

$$\mathbf{Y = 0.615 - 0.033X1 - 0.528X2 + 0.014X3 - 0.280X4 + e}$$

The constant value of 0.615 indicates that if the bonus mechanism, profitability, leverage, and foreign ownership are fixed or zero (equal to zero), the transfer pricing amount proxied by the ratio of related party receivables to total receivables is at 0.615. The bonus mechanism coefficient of -0.033 indicates that every one-unit increase in the Net Profit Trend Index will be followed by a decrease in the transfer pricing ratio of 0.033 units, assuming other variables are constant (ceteris paribus). The profitability coefficient of -0.528 indicates that every one-unit increase in Return on Assets will be followed by a decrease in the transfer pricing ratio of 0.528 units. The leverage coefficient of 0.014 indicates a positive relationship, namely every one-unit increase in the Debt to Equity Ratio will be followed by an increase in the transfer pricing ratio of 0.014 units, although the magnitude of the effect is relatively small. The foreign ownership coefficient of -0.280 indicates that companies with foreign shareholders in their ownership structure have an average transfer pricing ratio of 0.280 units lower than companies without foreign shareholders, assuming other variables remain constant. The statistical significance of each coefficient is further explained in the discussion of the partial test (t-test) below.

Tabel 7. Hasil Uji Parsial (uji t)

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.615	.102		6.047	.000		
	Mekanisme Bonus	-.033	.027	-.156	-1.245	.218	.901	1.110
	Profitability	-.528	.688	-.108	-.768	.446	.714	1,401
	Leverage	.014	.072	.023	.191	.849	.956	1,045
	Foreign Ownership	-.280	.104	-.358	-2,691	.009	.801	1,248
a. Dependent Variable: Transfer Pricing								

Source: processed data, 2026 (SPSS)

A t-test (partial test) was conducted to determine the effect of each independent variable individually on the dependent variable, with the following test criteria: the alternative hypothesis is accepted if the significance value is less than 0.05, and rejected if the significance value is greater than 0.05. Table 7 shows that the bonus mechanism (X1) obtained a t-value of -1.245 with a significance value of 0.218, which means the value is above the 0.05 threshold, so H1 is rejected. Thus, the bonus mechanism does not have a significant effect on transfer pricing decisions. This result contradicts the bonus plan hypothesis in Positive Accounting Theory (Watts & Zimmerman, 1986), which assumes that managers with profit-based

compensation schemes tend to utilize related party transactions to maximize bonuses received. This finding is in line with the results of research by Gurusinga *et al* . (2024) who also found no significant effect of the bonus mechanism on transfer pricing, but differs from the findings of Lukmono and Adam (2019) and Maulina *et al* . (2021) who found a significant effect. This difference in results is thought to be caused by the proxy of the bonus mechanism used, namely the Net Profit Trend Index (ITRENDLB), which measures the achievement of general profit growth targets without ensuring whether the management compensation scheme in the sample companies is truly based on annual profit performance.

Profitability (X2) obtained a t-value of -0.768 with a significance level of 0.446, which is also above 0.05, thus H2 is rejected. Profitability, as measured by Return on Assets (ROA), was not proven to have a significant effect on transfer pricing decisions. This result is inconsistent with the political cost hypothesis in Positive Accounting Theory (Watts & Zimmerman, 1986), which assumes that companies with high profitability tend to face greater political pressure, including tax oversight, and thus are encouraged to utilize transfer pricing to shift profits to related entities. This finding is consistent with the results of research by Rahmawati (2020), which also found no significant effect of profitability on transfer pricing, but differs from Putri and Handayani (2021), who found a significant positive effect. The moderate range of ROA values in this study sample (-0.0341 to 0.3319) is suspected to be one of the reasons why the variation in profitability between companies is not sharp enough to drive statistical differences in transfer pricing behavior.

Leverage (X3) obtained a t-value of 0.191 with a significance level of 0.849, well above 0.05, thus H3 was rejected. Leverage, measured by the Debt to Equity Ratio (DER), was not proven to have a significant effect on transfer pricing decisions, although the coefficient direction was positive. This finding is inconsistent with the debt covenant hypothesis in Positive Accounting Theory (Watts & Zimmerman, 1986), which assumes that companies with high debt levels tend to strive to maintain reported earnings stability to comply with debt covenants, including through transactions with related parties. This result is in line with research by Pratama (2021) and Gurusinga *et al* . (2024), which also found no significant effect of leverage on transfer pricing, indicating that debt in most sample companies is likely used to fund routine operational activities, rather than funding tied to strict covenants from creditors, so the pressure to maintain earnings stability through transfer pricing is relatively low.

In contrast to the three variables above, foreign ownership (X4) obtained a t-value of -2.691 with a significance of 0.009, which is below 0.05, so H4 is accepted. Thus, foreign ownership is proven to have a negative and significant effect on transfer pricing decisions. This finding is in line with Agency Theory (Jensen & Meckling, 1976), which views the presence of foreign shareholders as an external monitoring mechanism capable of reducing opportunistic managerial behavior. Foreign investors generally come from jurisdictions with stricter corporate governance and financial reporting standards than domestic standards, so their presence in the ownership structure tends to encourage the implementation of more intensive supervision of management, including regarding transactions with related parties that have the

potential to be misused for profit shifting purposes. The tighter the supervision received by management, the more limited the manager's room to carry out aggressive transfer pricing practices. These results are consistent with the findings of Widyasari, Wijaya, and Hananto (2024) who found that foreign ownership negatively impacts the aggressiveness of related transactions in the context of tax avoidance, and strengthen the argument of Fidianto, Eliza, and Ermawati (2025) that ownership structure also shapes a company's transfer pricing policy. However, these results differ slightly from the findings of Ningsih *et al* . (2024) who, in the context of a sample of companies in the food and beverage subsector that partially overlaps with this study, did not find a significant partial effect of foreign ownership, although the direction of the coefficient remained consistent. This difference in significance is likely influenced by differences in observation periods and the number of observations between studies. Overall, these findings indicate that among the four variables tested, ownership structure—particularly the involvement of foreign shareholders—is the most relevant and consistent factor in explaining variations in transfer pricing decisions in manufacturing companies in the food and beverage subsector in Indonesia, surpassing the role of internal management financial incentives such as bonus mechanisms, profitability, and leverage.

F Test and Coefficient of Determination

Presents the results of the F test (simultaneous) and the coefficient of determination.

Table 8. Simultaneous test results (f test)

ANOVA [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1,587	4	.397	3,896	.007 [b]
	Residual	5,602	55	.102		
	Total	7,189	59			
a. Dependent Variable: Transfer Pricing						
b. Predictors: (Constant), Foreign Ownership, Leverage, Bonus Mechanism, Profitability						

Source: processed data, 2026 (SPSS)

The F test (simultaneous test) was conducted to test the feasibility of the model (goodness of fit) while determining whether or not all independent variables simultaneously have a significant influence on the dependent variable, with the alternative hypothesis criteria being accepted if the F significance value is less than 0.05. Table 8 shows an F value of 3.896 with a significance of 0.007. Because the significance value is below the 0.05 threshold, it can be concluded that H0 is rejected and H5 is accepted, which means that the bonus mechanism, profitability, leverage, and foreign ownership simultaneously have a significant influence on transfer pricing decisions. This finding confirms that although most variables do not have a significant effect partially, the regression model that combines these four variables still has

sufficient statistical feasibility to explain the transfer pricing phenomenon in the sample companies, so it is worthy of being used as a basis for drawing research conclusions.

Table 8. Results of Determination Test (R2)

Model Summary [b]					
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.470 [a]	.221	.164	.3191333	.968
a. Predictors: (Constant), Foreign Ownership, Leverage, Bonus Mechanism, Profitability					
b. Dependent Variable: Transfer Pricing					

Source: processed data, 2026 (SPSS)

The coefficient of determination (R^2) is used to measure how much of the variation in the dependent variable can be explained by the independent variables in the model, with the Adjusted R^2 value chosen as the main reference because it has taken into account the number of independent variables used, so it is more accurate than the usual R^2 value in models with more than one predictor. Table 8 shows an R^2 value of 0.221 and an Adjusted R^2 value of 0.164, which means that the bonus mechanism, profitability, leverage, and foreign ownership together are able to explain 16.4% of the variation in transfer pricing decisions in sample companies, while the remaining 83.6% is explained by other factors outside this research model. The relatively low adjusted R^2 value is a normal thing to find in behavioral accounting research that uses secondary data and a single proxy for each construct, considering that transfer pricing decisions in practice are influenced by many complex, interacting factors. Several factors not included in this model, such as the effective tax rate and tunneling incentives, have been shown to contribute significantly to transfer pricing decisions in previous studies (Klassen & Laplante, 2012; Lo, Wong, & Firth, 2010) and are thought to explain some of the variation not captured by this research model. Considering that only foreign ownership proved to be partially significant among the four variables tested, it can be concluded that the model's ability to explain transfer pricing in non-multinational manufacturing issuers is driven more by the ownership structure monitoring mechanism than by managerial compensation incentives or internal financial pressures alone.

CONCLUSION AND SUGGESTIONS

This study examines the influence of bonus mechanisms, profitability, leverage, and foreign ownership on transfer pricing decisions in 15 food and beverage manufacturing companies listed on the Indonesia Stock Exchange during the 2021–2024 period. The results of multiple linear regression analysis indicate that bonus mechanisms, profitability, and leverage have no significant partial effect on transfer pricing, while foreign ownership has a significant negative effect. Simultaneously, these four variables significantly influence transfer pricing, explaining 16.4% of the variation. These findings indicate that ownership structure, particularly

the involvement of foreign shareholders, plays a more dominant role as an external monitoring mechanism than internal management financial incentives in shaping companies' tendencies to engage in aggressive related-party transactions. The practical implication of these findings is the importance of tax authorities considering share ownership composition as an indicator in overseeing transfer pricing practices, rather than solely relying on the company's internal financial indicators. For companies, strengthening governance and internal oversight of related-party transactions remains recommended, including for companies wholly owned by domestic investors, to maintain compliance with the arm's length principle and avoid the risk of tax disputes. Further research is recommended to add other relevant variables, such as effective tax burden and tunneling incentives, as well as expand the sample coverage and observation period to increase the generalizability of the findings.

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