

Factors Affecting the Intention of Local Price Transfer of Businesses in Vietnam

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ABSTRACT: Transfer pricing is one of the common acts of enterprises in the market mechanism to evade taxes and gain profits through legalizing prices to deal with Vietnamese tax and customs authorities. Not only multinational corporations, but domestic corporations are also showing signs of non-transparency in internal transactions. The management and control, of anti-transfer pricing is becoming a pressing issue for tax authorities, especially when Vietnam develops a market economy. This study aims to evaluate the factors affecting the intention of domestic transfer pricing in Vietnamese enterprises with the Technology Acceptance Model (TAM) including the groups of factors that are perceived usefulness, and perceived convenience to the firm's transfer pricing intention. Research data is collected from 114 enterprises in Vietnam. The research results confirm the useful perception hypotheses about business strategy; Recognizing the usefulness of tax reductions and reducing operating pressures; Awareness of the convenience of the law and investment incentive mechanism; Both have a positive relationship and a positive impact on the intention to transfer pricing of enterprises in turn according to the level of impact highest to lowest. From these results, the study makes some recommendations to state policy agencies to limit and control this situation shortly.

KEYWORDS: transfer pricing, influencing factors, technology acceptance model (TAM), Vietnamese enterprises.

1. INTRODUCTION

Transfer pricing has been around since 1883 and attracted many research scholars, pioneered by Hirschleifer (1956, 1957), Gould (1964), and Horst (1971, 1973). The subject of transfer pricing can be multinational companies or domestic enterprises themselves. Many scholars consider transfer pricing to be the transfer pricing of domestic firms, based on the theoretical foundation of Jack Hirshleifer (1956, pp 172-184). According to Le Thanh Nhan (2015), transfer pricing done by domestic enterprises together is called domestic transfer pricing activity. Thus, domestic transfer pricing is considered an act performed by business entities by changing the exchange value of goods and services about domestic related parties to achieve the objectives of the domestic partners. affiliate partner.

Molly J. Saunders - Scott (2014), Eden (1998), Horst (1971) and Samuelson (1982) argue that the purpose of transfer pricing is to maximize the firm's after-tax profits, through changes in value, exchange of goods and services about related parties to minimize the total tax payable to state agencies (Le Xuan Truong, 2012). Therefore, the transfer pricing activities of domestic enterprises are also taking place increasingly complex and sophisticated, including Vietnam.

Research on transfer pricing in general has been carried out by many domestic and international projects. The studies were divided into two groups: transfer pricing of multinational corporations and transfer pricing of domestic corporations. Transfer pricing of multinational corporations has been studied extensively in terms of content, transfer pricing forms as well and pricing methods. Recent works on pricing methods include Thomas Pfeiffer et al. (2011) implementing "Cost-based transfer pricing" as one of the transfer pricing methods in intra-group transactions... The research results have shown the influencing factors and conditions for the method of determining the transfer price based on the cost. Author Tran Hung Cuong Quoc (2011) clarified 3 issues of transfer pricing in multinational corporations: operating mechanisms to avoid tax, setting transfer prices, and regulations on the transfer price of FDI enterprises. Author Maria Shunko (2011) also researched "Global Supply Chain Planning Impact of Transfer Pricing and International Taxes" in her doctoral thesis. In this work, the author has established different supply chains and specified the difference in the corresponding tax. Internal transfer pricing is mentioned in the study of William (1993) which examines the sign of internal transfer pricing through

the allocation of resources to the profit centers of the corporation. The study assessed the impact between earnings ability and competition when there was no change in the size of operations of units in the group. The results show that the relationship between these two factors is quite unusual, it is impossible to estimate between internal prices and accounting data. These are important results to help control and tax inspection of the state on transfer pricing phenomenon. Authors Le Thi Tu Oanh, and Bui Thi Ngoc (2016) researched transfer pricing of multinational companies in Vietnam. Research results through in-depth interviews with customs and tax officers have shown signs of transfer pricing for multinational companies, obstacles in tax inspection, and gaps in transfer pricing management. these subjects in Vietnam.

Studies on the factors affecting the intention of domestic transfer pricing of Vietnamese enterprises have just started to be carried out in recent years. The most recent study by Nguyen Huu Anh, 2022, based on interview data of 479 managers in Vietnamese enterprises, the analysis results found 5 groups of factors that affect the transfer pricing ability of enterprises. businesses, sorted in descending order of magnitude as follows: Tax regulations and tax legislation, government restrictions, corporate performance, the political situation – social and business scale. Although the authors use different theoretical bases and different subjects, in general, the studies are carried out through qualitative and quantitative analysis methods to analyze the influence of factors. factor in the firm's intention to convert domestic prices. The scope of the above studies is selected according to a certain industry or area, so the research results are for reference and suggestion within a certain range. Up to now, there has been no research evaluating the influence on the intention of domestic transfer pricing of enterprises according to the theoretical model of TAM technology acceptance with the factors of usefulness and convenience in enterprises in Vietnam.

Therefore, the research purpose of the authors is (i) To find out the factors that affect the intention of domestic transfer pricing of enterprises in Vietnam; (ii) Some measures to limit and control transfer pricing are recommended. Apart from the introduction, the rest of this paper is arranged as follows: Part 2 is the theoretical basis and hypotheses. Section 3 presents research methods, sampling procedures, data collection, and measurement of observed variables. Part 4 is the results of data analysis according to the proposed model. Section 5 ends by summarizing the findings and conclusions.

2. THEORETICAL BASIS AND HYPOTHESES

Theory of Technology Acceptance Model (TAM)

Many theories are used to study the consent to use information of individuals such as TRA, TAM, etc., in which, typically the Theory of Technology Acceptance Model

(TAM). This is considered an effective model for predicting the attitudes and intentions of information users.

The TAM Technology Consent Model was first studied and introduced by Davis (1986). This model is more specific than the "Attitude" factor, which contained "Perceived usefulness" and "Perceived ease of use" and did not have the "Subjective criteria" factor. The model first was used to evaluate assess the impact of the influence of social factors on the attitude of individuals to use information. Later, the model has been widely used to evaluate the user's acceptance of information and to explain the user's behavior in many fields. The TAM model is currently the most applied because it explains cases where individuals may not like but still use information because of perceived usefulness (bringing better results) than other behavioral models.

Behavioral research using TAM is applied in many fields such as social psychology (Kalafatis et al., 1999), business management (Hillenbrand et al., 2013), in marketing (Komiak & Benbasat, 2006; Walsh et al., 2006; Pham et al., 2013; Nguyen & Vy, 2023), in organizational behavior (Van Breukelen et al., 2004)... In the accounting field in general, several researchers studied factors that affect the behavior of managers information using, such as Jeremiah (2017), Omoteso and Yusuf (2017), Jeremiah and Etim's (2019)...

Hypotheses development

TAM theory can be used as a starting point to understand the factors affecting the intention to use the information of information recipients in general. Usefulness is defined as the degree to which a person feels that using technology will improve performance (Davis, 1989). The level of usefulness has a positive effect on actual technology acquisition through attitudes towards usage (Davis, 1993; Taylor & Todd, 1995). For transfer pricing intention, perceived usefulness results in higher transfer pricing intentions. Thus, perceived utility may contribute to increased transfer pricing intentions.

Convenience is understood as the degree to which a person feels that the application of a certain technique will be easy to use and convenient in work (Davis, 1989). Convenience will make it easier for users to accept new technologies (Taylor & Todd, 1995). For transfer pricing intentions, the convenience of understanding, the surrounding environment, the legal framework... will increase the intention to carry out the transfer pricing act. Therefore, the perception of convenience will play a positive role in the intention of enterprises to carry out transfer pricing behavior.

In this study, the authors will apply the TAM model to clarify the perception of usefulness and convenience, thereby making an assessment and prediction of the transfer pricing behavior intention on the factor. Accordingly, the proposed research hypotheses are as follows:

Hypothesis 1 (H1): Perceiving transfer pricing utility will have a positive effect on the firm's transfer pricing intention.

Hypothesis 2 (H2): Perception of transfer pricing convenience will have a positive effect on the firm's intention to transfer pricing.

3. RESEARCH METHODS

Description of the scale

In this study, the authors used a quantitative method through a survey sent to Vietnamese enterprises by convenience choice. The questionnaire is divided into 5 main parts: (i) Information about the enterprise; (ii) Regarding signs and motives for transfer pricing; (iii) Factors affecting transfer

pricing behavior; (iv) Future transfer pricing intentions; (v) Respondent information. The information in the questionnaire is inherited from previous research by Li Jian (2005), Davis Stan et al. (2011), Hatem Elsharawy (2006), Clausing A.Kimberly (2001), Nguyen Van Phuong (2015), Le Thanh Nhan (2015) and in-depth interview results. For testing hypotheses H1 and H2, the study builds a questionnaire on a 5-level Likert scale, from 1 strongly disagrees to 5 strongly agree. Details of the scale and coding of observed variables are shown in Table 1 below:

Table 1. Scale description and observable coding

Group	Code	Explanation
Utility (U)	U1	Transfer pricing helps businesses have the least amount of income tax payable
	U2	Transfer pricing helps businesses achieve high business results in front of the public and state agencies
	U3	Transfer pricing helps businesses reduce pressure on salary increases if the business is profitable
	U4	Transfer pricing helps businesses lower prices to eliminate competitors
	U5	Transfer pricing helps businesses lower prices to eliminate business partners
	U6	Transfer pricing helps business leaders reduce pressure in management (achieve a profit plan...)
Convenience (C)	C1	Enterprises have a good understanding of general laws
	C2	DN có hiểu biết sâu về pháp luật kế toán, giá
	C3	The legal corridor on pricing is incomplete
	C4	Penalizing tax violations is not a concern
	C5	Investment incentive mechanism to facilitate transactions with related parties
	C6	Tax inspectors are inexperienced, lack strictness
Transfer pricing intentions (I)	I1	Enterprises plan to expand many affiliates
	I2	The enterprise intends to increase transactions with related parties
	I3	Enterprises intend to operate in the fields and areas eligible for investment incentives
	I4	The enterprise intends to minimize the amount of corporate income tax payable
	I5	Firms intend to maximize profits
	I6	The enterprise intends to eliminate competitors
	I7	The enterprise intends to exclude business partners

(Source: Prepared by the authors, 2023)

Data collection and analysis

The stages of data collection and analysis are performed as follows:

Step 1: Build a mock survey and send it to 05 enterprises to assess the validity and understanding level of the questions. Edit according to the feedback received to complete the survey.

Step 2: Send an official survey to your business via email in a convenient way.

Step 3: Collect and clean data:

The total number of votes sent is 250, and the number of valid receipts is 114. Summarize Excel files, check the suitability of votes, and remove blank votes, and incomplete ballots. Check data cleaning.

Step 4: Analyze data on SPSS 22 software using the following tools: (1) Descriptive statistics; (2) Check the

reliability of the scale by Cronbach's Alpha; (3) EFA exploratory factor analysis; (4) Analysis of the regression correlation with the factors and the relationship between the factors in the model; (5) Test the difference in size, business field, age, type, listing status on the stock market.

Details of respondents to the survey, out of a total of 114 valid responses, with 114 valid votes, females accounted for 74.6% and males 25.4%, and the majority were aged from 30 -to 50, accounting for 68.4%. Regarding the positions, accountants account for 76.3%, the rest are managers at all levels and directors. 63.2% of respondents have more than 5 years of working experience and 36.8% have less than 5 years. The survey subjects all have university degrees (75.4%) and graduate degrees (24.6%). The above information shows that the survey subjects are suitable for the study. Statistics on the

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characteristics of surveyed enterprises are shown in Table 2 as follows:

Table 2. Characteristics of surveyed enterprises

Characteristics	Number	(%)
	31	27,2
Years of establishment	<5 years	35
	5- 10 years	48
	>10 years	42,1
Type of business	Joint Stock	69
	Co., Ltd	45
Industry	Processing and manufacturing technology	23
	Accommodation and food services	12
	Information and communication	10
	Real estate	4
	Construction	22
	Other (E-commerce)	43
	Listed	13
Status	Not yet listed	101
	<100 people	102
Number of shareholders	>=100 people	12
	<10 billion dong	54
Authorized capital	10 – 30 billion dong	30
	>30 billion dong	30
	< 100 people	75
Number of employees	100 - 300 people	19
	>300 people	20
	Total	114

(Source: Prepared by the authors, 2023)

Table 2 describes the characteristics of the surveyed enterprises. Considering the number of years of establishment of the surveyed enterprises, out of 114 enterprises, 31 enterprises were established under 5 years; 35 enterprises were established from 5 to 10 years, and 48 enterprises were

established over 10 years, the sample rate is relatively balanced. In terms of enterprise type, 69 enterprises are joint stock companies, accounting for 60.5%, the rest are limited liability companies. In terms of business fields, the industries of enterprises under the survey partners are very diverse, in

which enterprises mainly operate in the field of commerce (37.7%) and processing and manufacturing technology (20.2%); followed by enterprises operating in the field of accommodation services (10.5%), information and communication (8.8%); other sectors accounted for such as real estate, construction accounted for a negligible billion. These are also the groups of enterprises with a high probability of transfer pricing according to previous research (Nguyen Van Phuong, 2015). In terms of scale, 54 enterprises with charter capital under 10 billion dong are 54, accounting for 47.4%; the rest enterprises with capital from 10 to 30 billion dong and over 30 billion dong are equivalent, 30 enterprises. The majority of employees are less than 100 people (75 enterprises, accounting for 65.8%), while enterprises with employees from 100 to 300 people and over 300 people are the same (19 and 20 enterprises). Regarding the listing status, the number of unlisted enterprises is 101, accounting for 88.6%, the listed enterprises are only 13. The

majority of enterprises have less than 100 capital contributors (102 enterprises, accounting for 89.5%).

4. RESEARCH RESULTS

4.1 Exploratory factor analysis

To check whether the data are eligible for EFA factor analysis, the study conducted the KMO test and Bartlett's test. The sample number is 114, meeting the minimum requirement of 50 observations according to Hair et al. (2009), satisfying the criterion of 4 observations for each variable ($19 * 4 = 76$ observations < 114 observations) according to Hoang Trong and Mong Ngoc (2008) [12].

The results show that $KMO = 0.631 > 0.5$, satisfying the requirement to perform EFA exploratory factor analysis. In addition, $sig.=0 < 0.05$ shows that all observed variables are correlated with each other in the population. With the above test results, the data is suitable for exploratory factor analysis.

Table 3. Result of exploratory factor analysis

No	Code	Variables	Component			
			F1	F2	F3	F4
1	C1	Enterprises have a good understanding of general laws	.863			
2	C2	Enterprises have a deep understanding of accounting and pricing laws	.853			
3	C5	Investment incentive mechanism to facilitate transactions with related parties	.691			
4	U1	Transfer pricing helps businesses have the least amount of income tax payable		.797		
5	U3	Transfer pricing helps businesses reduce pressure on salary increases if the business is profitable		.763		
6	U6	Transfer pricing helps business leaders reduce pressure in management (achieve a profit plan...)		.674		
7	U4	Transfer pricing helps businesses lower prices to eliminate competitors			.802	
8	C4	Penalizing tax violations is not a concern			.680	
9	U5	Transfer pricing helps businesses lower prices to eliminate business partners			.664	
10	C3	The legal corridor on pricing is incomplete				.634
11	C6	Tax inspectors are inexperienced, lack strictness				.618

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 9 iterations.

(Source: Prepared by the authors, 2023)

According to Hair et al. (2014), if the Factor loading coefficient ≥ 0.5 is considered to be of practical significance. The first exploratory factor analysis results showed that 04 groups of factors were formed instead of 02 groups of independent variables as originally expected. However, the variable U2 has a Factor loading factor = -0.640 < 0.5 , so it is excluded from the list. These 4 groups of factors all have Eigenvalue values greater than 1 and explain

63.909% of the variability of the observed variables. Rerun the second exploratory factor analysis with 11 observed variables of the independent variable. In the results of the second exploratory factor analysis (Table 3), 11 observed variables satisfy the Factor loading coefficient greater than 0.5 and are combined into 04 groups. The groups are renamed as follows:

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- ✓ Group 1 (F1): Consists of 3 observed variables C1, C2, and C5 in the group "Perception of convenience", we renamed it "Convenience of laws and investment incentives".
- ✓ Group 2 (F2): Consists of 3 observed variables U1, U3, U6 in the group "Perception of usefulness", we renamed it "Perceived usefulness about tax reduction and operating pressure".
- ✓ Group 3 (F3): Includes 3 observed variables U4, C4, and U5 belonging to 2 groups "Perception of usefulness", and "Perception of convenience". We renamed it “Useful Awareness of Sanctions and Business Strategies”.
- ✓ Group 4 (F4): Includes 2 observed variables C3 and C6, separated from the group "Perception of

convenience". We renamed it “Convenient perception of price legislation and inspection”.

4.2 Analysis and assessment of reliability.

Evaluate the reliability of the scales to reflect the close correlation between the observed variables in the same factor. In this analysis, we test the factors (F1, . . . , F4) using Cronbach's alpha coefficient. In terms of empirical research, observed variables with an item-total correlation greater than 0.3 and Cronbach's Alpha coefficient greater than or equal to 0.60, we can confirm the variables. observations with a reliable scale (Hoang Trong & Chu Nguyen Mong Ngoc, 2008). The results are shown in Table 4.

Table 4. Reliability of the scale

Encode	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Total Correlation	Item-Squared Correlation	Multiple Cronbach's Alpha if Item Deleted
Convenient awareness of the law and investment incentive mechanism (F1), Alpha = 0.764 > 0.6					
C1	7.19	2.104	.723	.649	.572
C2	7.25	1.855	.677	.639	.589
C5	7.55	2.108	.437	.195	.880
Helpful perception of tax relief and operating pressure (F2), Alpha = 0.675 > 0.6					
U1	6.34	2.616	.483	.256	.597
U3	7.07	2.968	.561	.315	.495
U6	6.68	3.177	.434	.202	.647
Helpful awareness of business mechanisms and strategies (F3), Alpha = 0.663 > 0.6					
U4	4.96	2.070	.653	.593	.300
U5	5.15	2.730	.563	.563	.479
C4	4.73	2.837	.273	.106	.847
Transfer pricing intentions (I), Alpha = 0.708 > 0.6					
I1	18.94	11.067	.554	.760	.637
I2	18.88	11.649	.517	.734	.650
I3	19.06	11.952	.462	.301	.664
I4	19.04	11.716	.438	.299	.669
I5	18.47	13.207	.251	.202	.714
I6	19.22	11.872	.448	.464	.667
I7	19.50	12.978	.263	.341	.713

(Source: Prepared by the authors, 2023)

When analyzing reliability (Table 4), the observed variable C4 "Sanction of tax violations is not worrisome" in the group of factors F3 has a total correlation coefficient of less than 0.3, so it does not meet the requirements. about reliability. Therefore, the F3 factor group has only 02 observed variables, U4 and U5. We renamed the factor “Strategic Helpful Perception”. After re-analysis, the reliability and correlation coefficient of the total variable is satisfied to ensure the reliability of the factor group. For factor group F4, Cronbach's Alpha coefficient = 0.394 < 0.6, so the scale does not meet the standards of reliability, discarding this factor group analysis. For the dependent variable “Transfer pricing intention” with variables I5 and I7 having a total correlation coefficient of less than 0.3, it will be excluded from the regression analysis. The remaining variables all meet the requirements for reliability.

Based on exploratory factor analysis and assessment of the reliability of the scale, with the change of factor groups, the adjusted research model will include 03 groups of factors with 08 observed and dependent variables. belongs to 05

observed variables. Accordingly, the adjusted research hypothesis is as follows:

Hypothesis 1 (H1): Awareness of the law and investment incentive mechanism will have a positive effect on the intention to transfer the pricing of enterprises.

Hypothesis 2 (H2): Perceiving the usefulness of tax reduction and reducing operating pressure will have a positive effect on the intention to transfer the pricing of enterprises.

Hypothesis 3 (H3): Useful perception of business strategy will have a positive effect on the intention to transfer the pricing of enterprises.

4.3 Regression analysis

To measure the influence of each factor on the intention to transfer the pricing of enterprises, we performed regression analysis. General regression analysis model:

$$I = f(F1, F2, F3)$$

The variable intention to transfer price was quantified by calculating the average score of 5 observed variables. Similarly, 3 groups of factors are averaged of the observed variables corresponding to each factor.

Table 5. Model of Multivariable Regression Analysis

Model	R	R Square	Adjusted R Square	Std. The error in the Estimate
1	.426 ^a	.181	.174	2.94074
2	.484 ^b	.235	.221	2.85604
3	.515 ^c	.265	.245	2.81136

a. Predictors: (Constant), F2
 b. Predictors: (Constant), F2, F3
 c. Predictors: (Constant), F2, F3, F1

(Source: Prepared by the authors, 2023)

Table 5 shows that there are 3 models selected, according to which, the impact on the intention to transfer pricing of enterprises includes:

- ✓ Model 1 is the factor “Beneficial perception of tax reduction and operating pressure”. The coefficient R2 = 0.181 shows that the useful perception of tax reduction and operating pressure can explain 17.4% of the total impact of the factors on the intention to transfer the pricing of enterprises.
- ✓ Model 2 is the factors “Beneficial perception of tax reduction and operating pressure”; “Helpful perception of business strategy”. The coefficient R2 = 0.235 shows that these two factors can explain

22.1% of the total impact of the factors on the intention to transfer the pricing of enterprises.

- ✓ Model 3 is the factors “Beneficial perception of tax reduction and operating pressure”; “Helpful awareness of business strategy”; and “Convenient awareness of the law and investment incentive mechanism”. The coefficient R2 = 0.265 shows that these three factors can explain 24.5% of the total impact of the factors on the intention to transfer the pricing of enterprises.

To choose the optimal model, we consider the regression coefficient in Table 6.

Table 6. Results of multiple regression analysis-Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	9.971	1.201		8.305	.000		
	F2	.579	.116	.426	4.979	.000	1.000	1.000
2	(Constant)	8.820	1.237		7.128	.000		
	F2	.473	.119	.348	3.971	.000	.898	1.113
	F3	.468	.168	.244	2.782	.006	.898	1.113
3	(Constant)	5.388	2.017		2.671	.009		
	F2	.443	.118	.326	3.752	.000	.886	1.129
	F3	.577	.173	.300	3.328	.001	.821	1.218
	F1	.293	.137	.183	2.135	.035	.914	1.095

a. Dependent Variable: I

(Source: Prepared by the authors, 2023)

Results of multivariate regression analysis Table 6 shows that all 3 models have statistical significance (Sig.=0<0.05), in which, model 3 is optimal because of the impact assessment of all 3 models. the factor group is “Beneficial perception of tax reduction and operating pressure”; “Helpful awareness of business strategy”; “Convenient perception of the law and investment incentive mechanism” on the intention to transfer pricing of enterprises and at the same time the level of explaining the impact of the factor was the highest (24.5%).

At the same time, the study tests the difference in intention to transfer pricing between groups according to the following factors: Business field; Founded year; Type of DN; Listing status; Size (capital, number of employees); Number of shareholders. Levene test only Type of enterprise has Sig < 0.05, all other factors have Sig. > 0.05, (Appendix No. 06). This shows that the evaluation variance of the intention to transfer pricing is different between the type of enterprise which is a joint stock company and a limited company. The rest of the comparison groups showed no difference.

In summary, at the 5% level of significance, the analysis results show that the relationship between the variables is shown by the following equation:

$$I = 5.388 + 0.293 * F1 + 0.443 * F2 + 0.577 * F3$$

Regression results support the following hypotheses: Awareness of laws and investment incentives (F1); Recognizing the usefulness of tax reductions and reducing regulatory pressure (F2); The useful perception of business strategy (F3) have a positive and statistically significant relationship to the intention of domestic transfer pricing of enterprises. Being aware of the law and investment incentive mechanism affecting the transfer pricing intention of enterprises with a coefficient of 0.293; The perceived usefulness of tax reduction and operating pressure reduction on the intention to transfer pricing was 0.443, while the perceived usefulness of business strategy had the highest impact with the coefficient of 0.577. This means that each positive change of Awareness about the law and investment incentive mechanism will increase the intention to perform

transfer pricing behavior of enterprises by 0.293 times. Each positive change in Perceiving the usefulness of tax reduction and reducing operating pressure will promote the implementation of transfer pricing behavior of enterprises by 0.443 times. In particular, each positive change in the useful perception of business strategy will have a positive effect on the intention to transfer the price of the enterprise by 0.577 times.

5. DISCUSSION

Firstly, the higher the useful perception of the business strategy, the higher the intention to transfer pricing will be. Not only that, the useful perception of business strategy has the strongest impact on the intention to transfer the pricing of enterprises compared to the other groups of factors.

Secondly, Perceiving the usefulness of tax reduction and reducing operating pressure has the second strongest and most positive impact on the intention to transfer the pricing of enterprises.

Thirdly, the higher the awareness of the law and the investment incentive mechanism, the higher the transfer pricing intention of the enterprise. This is the group of factors that have the lowest impact on corporate transfer pricing intentions.

Enterprise transfer pricing is a reality that brings many negative impacts to the state and the economy today, affecting unfair competition between businesses and especially tax-related loss of state budget revenue. Therefore, to limit the situation of domestic transfer pricing in enterprises in Vietnam, the authors make some recommendations as follows: *Firstly, it is necessary to improve the legal framework on anti-transfer pricing.* The state needs to clearly define the forms of illegal transfer pricing, and qualitative and quantitative criteria to determine transfer pricing activities and proceed to promulgate the Law on Anti-Transfer pricing. In addition, the Law on Tax Administration is supplemented with legal documents applicable to enterprises having transactions with associated

parties. The biggest difficulty in anti-transfer pricing is determining the market price and independent transaction price. Therefore, the mechanism of prior agreement on the method of determining taxable prices is expected to be a very effective support tool for anti-transfer pricing. In addition to the content on tax administration for transfer pricing activities in the Law on Tax Administration, it is necessary to add some provisions on the mechanism of prior agreement on price calculation method - APA; Separate regulations on an inspection time limit for transfer pricing activities; Regulations on the right to investigate for tax authorities. In addition, the State needs to promulgate a separate Law on transfer pricing - this is an important legal basis in tax administration for transfer pricing as well as effective management of other taxes. At the same time, develop strong enough sanctions to ensure deterrence against enterprises with transfer pricing behavior that causes negative impacts, resulting in loss of budget revenue, trade imbalance, and market distortion. enterprise.

Second, adjust the scope of CIT incentives. One of the main reasons for transfer pricing is the difference in CIT rates between industries and regions that enjoy incentives such as tax exemption and reduction. Therefore, only apply tax incentives selectively and not widely, minimizing the integration of social policies in tax policies. Instead of implementing tax exemption and reduction measures to attract investment, it is advisable to focus on building and developing infrastructure, supporting training, and developing human resources in difficult socio-economic areas. This not only helps save management costs for businesses, but also promotes restructuring of investment in a more effective direction, and has an important meaning in contributing to raising people's knowledge and creating jobs. an effective way for people in disadvantaged areas. The exemption and reduction of CIT need to be carefully considered by many different factors, especially factors affecting the socio-economic, business community, and investment attraction policies. A too-strict decree can limit and prevent transfer pricing activities, but it will directly affect business costs and long-term business opportunities for industries that need large capital sources, with significant implications. long-term implications for the economy.

Third, reorganize the tax administration apparatus for transfer pricing activities. For the General Department of Taxation, it is necessary to build a department dedicated to tax administration for transfer pricing activities, selected from civil servants who have a lot of experience, good expertise, and qualifications in foreign languages and information. study, and at the same time established a department specializing in collecting data for analysis and comparison. The Tax Departments, in some large Tax Departments, set up a department dedicated to tax administration for transfer pricing activities. For the remaining Tax Departments, assign a function room to act as

a focal point to monitor and summarize tax administration for transfer pricing activities. At the same time, the functional departments: Propaganda - Support; Inspection; Check; Tax declaration, and accounting shall arrange a specialized division to perform tax management for transfer pricing activities.

Fourth, expand the scope of inspection and transfer pricing inspection. Tax authorities at all levels need to strengthen inspection and control of transfer prices, especially for enterprises with many members, and enterprises with signs of transfer pricing behavior of related parties. Increase the number of tax inspectors and examiners with high professional qualifications and professional ethics. Increase the number of transfer price inspection cases for businesses with high transfer pricing suspicions. Review, list, and closely monitor enterprises that are required to declare related transaction information following the provisions of Circular No. 66/2010/TT-BTC; coordinate with inspection and examination departments to collect and analyze information on risk assessment for enterprises having associated transactions. Enterprises that need to focus on inspection include: Are enterprises entitled to corporate income tax incentives; Does the enterprise suffer a loss after the corporate income tax incentives expire; Enterprises expand production scale; Revenue increased but enterprises still suffered continuous losses; The enterprise has suffered losses for more than 2 consecutive years.

Fifth, strengthen propaganda and support transfer pricing. According to the results of factor analysis, 3 groups of factors from the business side all affect transfer pricing behavior. To help businesses have the right awareness, raise the sense of law compliance and social responsibility. Tax authorities need to diversify forms of propaganda and support to help tax officials and taxpayers easily access and quickly grasp contents related to transfer pricing issues such as posting, Updates on the website, organizing seminars, and creating a forum for tax officials and businesses to discuss transfer pricing. Tax authorities need to step up propaganda work to win the consensus of all levels of government, society, and the business community, and at the same time strengthen anti-transfer pricing inspection according to specific topics to improve quality. tax administration in each sector. The State needs to propagate to raise awareness of law observance in general and tax law in particular for businesses.

6. CONCLUSION

Based on the theoretical model of TAM acceptance, the study assessed the factors that affect the intention to transfer domestic prices in enterprises in Vietnam. The study has shown that the factors that have a positive impact on the intention to transfer pricing of enterprises in decreasing order are (1) Perception of the usefulness of business strategy; (2) Perceiving the usefulness of tax reduction and reducing operating pressure; (3) Awareness of laws and investment

incentive mechanisms. Research results have contributed to supplementing empirical evidence and the existing review documents related to factors affecting the intention of domestic transfer pricing of enterprises. Based on the analysis results, the study has also made some recommendations in the context that the ongoing transfer pricing situation is a pressing issue for policymakers and state agencies to limit and control this problem of enterprises.

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