

# A Comparison of Supreme Court Justices' Legal Argumentation in Deciding Disputes on Transfer Pricing Management Fees in Indonesia

**Agus Suharsono**

Universitas Muhammadiyah Yogyakarta, Indonesia  
[agus.suharsono.psc23@mail.umy.ac.id](mailto:agus.suharsono.psc23@mail.umy.ac.id)

**Nanik Prasetyoningsih**

Universitas Muhammadiyah Yogyakarta, Indonesia  
[nanikprasetyoningsih@umy.ac.id](mailto:nanikprasetyoningsih@umy.ac.id)

**Nur Aida Ikrima**

Turner High School, Kansas City, Kansas, United States  
[nur.aida.ikrima@gmail.com](mailto:nur.aida.ikrima@gmail.com)

DOI: [10.23917/jurisprudence.v14i2.5874](https://doi.org/10.23917/jurisprudence.v14i2.5874)

---

## Submission Track:

Received:

July 16, 2024

Final Revision:

December 27, 2024

Available online:

December 30, 2024

Corresponding Author:

Agus Suharsono

[agus.suharsono.psc23@mail.umy.ac.id](mailto:agus.suharsono.psc23@mail.umy.ac.id)

## ABSTRACT

**Purpose of the Study:** This paper aims to analyze the Supreme Court's decision to decide transfer pricing disputes related to the payment of management fees in Indonesia so that tax authorities and taxpayers understand its implementation and can prevent similar cases.

**Methodology:** This doctrinal research employed the statute, conceptual, case, and interpretive approaches. This paper used secondary data, which included laws, Supreme Court decisions, and concepts from relevant literature.

**Results:** The Supreme Court Justice's argument in deciding disputes on management fee transfer pricing prioritizes substantive truth based on written positive laws and existing laws in the international community. It also prioritizes evidence, the judge's knowledge of legal philosophy, legal principles, and previous decisions. Taxpayers must document all evidence of transactions and conduct functional analysis based on the Arm's Length Principle to prove the correctness of the management fee payment.

**Applications of this study:** Taxpayers and tax authorities can understand the Supreme Court Justice's argument in deciding the dispute over transfer pricing management fees. Thus, such arguments need to be considered when making laws and

---

---

regulations. This study encourages further research on the comparison of such cases in other countries.

**Novelty:** Substantive truth is the primary basis for the Supreme Court Justice's argument in the transfer pricing management fee dispute.

**Keywords:** *Legal Argumentation; Management Fee; Supreme Court; Tax-Payers; Transfer Pricing.*

### **ABSTRAK**

**Tujuan Penelitian:** Tulisan ini bertujuan untuk menganalisis putusan Mahkamah Agung dalam memutus sengketa transfer pricing terkait pembayaran biaya manajemen di Indonesia agar otoritas pajak dan wajib pajak memahami pelaksanaannya dan dapat mencegah kasus serupa.

**Metodologi:** Penelitian doktrinal ini menggunakan pendekatan perundang-undangan, konseptual, kasus, dan interpretatif. Tulisan ini menggunakan data sekunder, yang meliputi undang-undang, putusan Mahkamah Agung, dan konsep dari literatur yang relevan.

**Hasil:** Argumen Hakim Agung dalam memutus sengketa transfer pricing biaya manajemen mengutamakan kebenaran substantif berdasarkan hukum positif tertulis dan hukum yang berlaku di masyarakat internasional. Selain itu juga mengutamakan alat bukti, pengetahuan hakim tentang filsafat hukum, asas hukum, dan putusan sebelumnya. Wajib pajak harus mendokumentasikan semua bukti transaksi dan melakukan analisis fungsional berdasarkan Prinsip Kewajaran dan Kelaziman Usaha untuk membuktikan kebenaran pembayaran biaya manajemen.

**Aplikasi penelitian ini:** Wajib pajak dan otoritas pajak dapat memahami argumen Hakim Agung dalam memutus sengketa transfer pricing biaya manajemen. Dengan demikian, argumen tersebut perlu dipertimbangkan ketika membuat peraturan perundang-undangan. Studi ini mendorong penelitian lebih lanjut tentang perbandingan kasus-kasus serupa di negara lain.

**Kebaruan:** Kebenaran substantif menjadi dasar utama argumen Hakim Agung dalam sengketa biaya manajemen penetapan harga transfer.

**Kata kunci:** *Argumentasi Hukum; Biaya Manajemen; Mahkamah Agung; Pembayar Pajak; Penetapan Harga Transfer.*

---

## **INTRODUCTION**

As business owners, taxpayers will try to increase their income and pay the least possible taxes (Krokhicheva, Zhabin, Kolytyreva, & Shutsyuan, 2022). One of the ways to decrease the amount of tax that must be paid is by increasing the amount of business fees that must be paid (Lorenz, 2019). One of the fees that often occur in pricing transfer disputes is management fees.

Management fees are the management consultation service fees that are given to foreign taxpayers to taxpayers in Indonesia. In this case, both came from the same group (Buono, 2020). Because it has unique characteristics, it is difficult to prove and determine the right price for the management fees, leading to tax disputes (Screpante, 2019). In Indonesia, this is determined by the Tax Court and the Supreme Court.

Tax avoidance through transfer pricing happens when multinational companies shift their profits to low-tax jurisdictions by manipulating transaction prices between entities from the same group. The taxation regulation in Indonesia determines that inter-entity transactions in the same group must comply with justice principles and business practices or the Arm's Length Principle. It must also comply with functional analyses to make sure that the transaction is carried out with normal market prices to prevent tax avoidance (Akbar, 2023). Disputes related to transfer pricing have become an important issue in various countries, including Indonesia. The analysis of Tax Court Decisions from 2015 to 2019 shows that transfer pricing disputes are caused by differences in calculating transaction fairness (Tambunan, 2020).

Research on courts in different countries that handle transfer pricing disputes shows varied results. In Russia and Australia, judges take different approaches. Some support the position of the tax authority, while others side with taxpayers (Butler, Wang, & Vu, 2021). In Canada, court decisions emphasize the importance of choosing transactions that are controlled in a careful manner. It prioritizes traditional transfer pricing methods (Mao & Gottfried, 2019). In Germany, even though tax certainty becomes the main priority of companies, tax dispute complexity and the amount of transfer pricing keeps on increasing, which in the end will influence the efficiency of multinational companies' management (Bärsch, Ditz, & Kluge, 2019). In Russia, courts often cannot handle complex transfer pricing issues and tend to support the tax authority's position (Chochiev, 2019). The Federal Australian Court emphasizes the importance of legal arguments in determining transfer pricing disputes (Butler et al., 2021). In France, courts often revoke decisions that do not have a strong legal argument, such as the case of Sacla on its brand assessment (Douvier & Gocer, 2023). In Portugal, tax authorities often lose transfer pricing cases due to errors in the comparative concept and method used (Martins, Correia, & Taborda, 2020). Meanwhile, the Indian Supreme Court often fails to refer to previous courtly regulations in almost half of their opinions (Green & Yoon, 2017).

In deciding upon a dispute, judges express legal arguments based on the legal basis and legal facts during the trial (Rigoni, 2015; Santos & Roesler, 2019) to guarantee legal supremacy

and accountability (Theodoro, Dos Santos, & Nascimento, 2020). Legal arguments are a crucial factor that makes decisions consistent and accountable to society (Marshall, 2020). This is to measure the quality of the decision (Croucher & Hon, 2022) and guarantee that all parties obtain their rights (Engel & Weinshall, 2020). In making decisions, judges are often influenced by factors that are outside of the law, such as demographic characteristics and intuitive rationing (Rachlinski & Wistrich, 2017). However, judges must still be able to make independent and just decisions (Teo, 2022).

The problem of this research is, “What legal arguments do the Supreme Court use in deciding upon the dispute of transfer pricing management fees in Indonesia?” This research offers novelty in the form of an in-depth analysis that was seldom discussed by previous research based on the decision of the Supreme Court as the highest decision that has a permanent legal power. The main goal of this research is to analyze the legal arguments of the Supreme Court in deciding upon transfer pricing disputes to give recommendations to tax authorities and taxpayers to prevent the occurrence of similar disputes in the future.

## **RESEARCH METHOD**

This was a doctrinal study which aimed to analyze and recommend the development of a certain concept by analyzing authoritative texts (McConville & Chui, 2007). This research utilized the statute, case, and interpretative approaches. The authors utilized secondary data in the form of primary legal sources which included the Supreme Court’s Decision of Judicial Review on the dispute of transfer pricing management fees in 2020 and 2021 as well as secondary legal sources in the form of relevant references (Irwansyah, 2020). The data were collected by downloading, taking notes, and recording the relevant data (Widodo, 2020) from the official website of the Supreme Court Decision Directory. The data of this research were in the form of documents. Thus, the data were analyzed using the content analysis method through three components of systematic content analysis, namely: selecting cases, coding cases, and analyzing (Hall & Wright, 2008) to draw conclusions and make recommendations (Krippendorff, 2004).

## RESULTS & DISCUSSION

### *The Importance of Supreme Court Decisions' Legal Arguments*

The legal basis for the fact that Supreme Court justice must make legal arguments in deciding upon a dispute is as follows: *First*, Article 24 clause (1) of the Republic of Indonesia's 1945 Constitution regulates that the judicial power is an independent power to establish justice to enforce the law and justice. This stipulation determines that the constitution mandates that as the executor of judicial power, the Supreme Court is an independent power to enforce the law and justice. A law may be written, i.e., the state laws and its implementing regulations. However, it may also be unwritten, namely the law that lives in society. This means that Indonesian judges need to enforce the law to achieve justice. The law is a tool to manifest justice. Aquinas classifies the law into four types, namely: 1) *lex aeterna*: the eternal law of God; 2) *lex divina*: the revealing of divine laws; 3) *ius natural*: the natural law as an eternal legal participation of rational beings; and 4) *lex humana* or *lex positive*: human laws or positive law. Thus, the law is merely a positive law. There are other laws aside from that law. In this case, Aquinas thinks that the positive law that the state creates, has the possibility of becoming unjust. It is advised to not comply with it as the state must enforce justice for its people, not vice versa (Coyle, 2015).

*Second*, the Republic of Indonesia's Law No. 48 of 2009 on Judicial Power: 1) Article 5 clause (1) regulates that judges must discover, follow, and understand the values of law and the sense of justice that exist in society; 2) Article 14 clause (1) and clause (2) regulate that decisions are made based on the confidential judicial deliberation trial. In that deliberation trial, each judge must deliver their written opinions and considerations on the examined case. It becomes an inseparable part of that decision; 3) Article 50 clause (1) regulates that courtly decisions must not only contain the reasons and the basis of the decision. However, it must also contain certain articles from the related legal regulations or unwritten legal sources that are used as the basis of that decision; and 4) Article 53 clause (2) regulates that judicial decisions must encompass judges' legal considerations that are based on correct and accurate legal bases and reasons.

*Third*, the Republic of Indonesia's Law No. 14 of 2002 on Tax Courts: 1) Article 84 clause (1) letter h, which regulates that Tax Court Decisions must contain legal reasons that become the basis of the decision and 2) Article 78 which regulates that Tax Court Decisions are

made based on the evidence assessment results and relevant tax legal regulations based on the rationing of judges.

Legal argumentation is general argumentation in daily life that is applied in the law as a rationality criterion to determine abstract and general regulations on specific and concrete facts (Weinreb, 2016). Judges use legal arguments to analyze and resolve disputes in their legal consideration to become responsible for their decisions (Feteris, 2017b). This is so that their decisions may rationally be accepted based on the true legal facts (Feteris, 2017a).

The model that may be used to make decisions for judges includes legal rationing, legal application, legal interpretation, legal construction, and legal evaluation of previous decisions (Dudash, 2022). Legal rationing is the general legal system that is influenced by legal studies and philosophies as opposed to wisdom (Nussbaum, 2020; Trelles & Paredes, 2021). Legal philosophies and legal principles adopted by judges in the judicial process will influence the making of decisions (Amaya, 2023; Blažková, 2022).

The Bayesian approach in legal rationing proposes legal syllogism-based rationing between evidence, the credibility of evidence, and the final hypothesis (Constant, 2024). Formal legal rationing offers a framework to make decisions (Zurek et al., 2022) on disputes that consider the core of disputes, applicable laws, relevant facts and evidence, the application of rules on facts, conclusions by still considering the values that judges believe in (Klappstein, 2021), and legal ethics (Navarro, 2022).

The law is not limited to written regulations as there are unwritten laws that exist in society. Legal rationing in the courtly process also sometimes considers sociological and extralegal factors (Leszczyński, 2020). In Indonesia, there are some judicial decisions that are not based on legal arguments. They are not based on legal facts or the sense of justice in society. Such cases became a topic of debate and attracted public attention (Lisdiyono, 2017). Research in Ecuador shows similar situations (Castro et al., 2018). Meanwhile, Polish judges have an increasing tendency to use international law in making decisions to increase the quality of those decisions (Maroń, 2020).

Geoffrey Samuel proposed a new approach to understanding legal rationing through the contexts of legal epistemology and knowledge which highlights the importance of judicial arguments in previous decisions as a tool to help judges make decisions in the future (Leszczyński, Lizewski, & Szot, 2019; Samuel, 2018). Even so, previous jurists' decisions have strengths and weaknesses (Florczak-Wątor, 2022) as well as analogies (Rigoni, 2021). They

can help current judges understand legal regulations and their applications (Hernández, 2023; Pavčnik, 2022). Previous judicial decisions are important tools in making judicial decisions in the general legal system even though currently, the United States Supreme Court sometimes do not follow them in constitutional rationing (Schultz & Schultz, 2022). Previous judicial decisions do not always have the same argument (Sherwin, 2023). This is because there are always judges who develop their legal principles and who are not bound to previous judicial decisions (Re, 2022). Even though it is prohibited to quote precedents in China, judges are also indirectly influenced by previous judicial decisions (Liu, Klöhn, & Spamann, 2021).

In every decision to enforce the law and justice based on written laws, judges must always make arguments, such as laws and unwritten laws from society. Aquinas divided the law into *lex aeterna*, *lex divina*, *ius natural*, and *lex humana* or *lex positif*. As *lex positif*, the law is merely a form of law and judges need to consider all types of law, including international law, to achieve true justice. Judges must also explore and understand the legal values and the sense of justice in society. They must provide written considerations in the deliberation trial and make sure that their decisions contain certain reasons, legal bases, legal regulation articles, and unwritten legal sources. To create good legal arguments, legal rationing, and legal interpretation, judges must understand legal philosophies, legal principles, legal science, and judicial arguments in previous decisions, as well as explore the law and sense of justice that live in society.

### ***The Importance of Applying the Arm's Length Principle in Transfer Pricing***

The legal basis of transfer pricing in Indonesia is regulated by the Republic of Indonesia's Law No. 7 of 1983 on Income Tax which has gone through several amendments. The most recent one is the Republic of Indonesia's Law No. 7 of 2021 on the Alignment of Taxation Laws, Article 18 clause (3). This regulation stipulates:

The Taxation General Directory has the authority to redetermine the magnitude of income and deductions as well as determine debt as the capital to calculate the magnitude of Taxable Income that has a special relationship with other Taxpayers with appropriateness and business practices that are not influenced by special relationships by using the method of price comparison between independent parties, the method of return sales price, extra fee method, and other methods. This explanation states that the government has the authority to prevent tax avoidance by taxpayers by decreasing, avoiding, or postponing tax payments that they are indebted to pay. One of the ways is to carry out transactions with the parties that have special relationships that are not according to reality, that violate the principle of substance of a form, such as

reporting under income, over-costs, small profits, or irrational business losses even though they have commercially operated for five years. The Taxation General Directory may once again determine the magnitude of income and expenditures based on the principle of justice and business practices. If the inclusion of hidden capital is deemed debt, that debt may be deemed company capital. The interest of debt, which is deemed capital, cannot be decreased in calculating taxable income, while related parties that obtain interest are deemed dividends that are imposed with tax. Differences in the irrational transaction value are also deemed dividend that is imposed with income tax.

Transfer pricing involves multinational companies that are located in the whole jurisdiction. Thus, there is a need for international laws or at least international agreements, in this case the OECD (the Organisation for Economic Co-operation and Development) Transfer Pricing Guidelines, that do not only include state laws but also the laws that live in international communities. According to the OECD, prices in transactions between companies in multinational groups must strictly be monitored by national and international tax authorities to prevent the shift of profit to countries with low taxes so that there is a smaller amount of tax that must be paid. The transfer pricing practice that often happens is the payment of management fees, namely the fees that are burdened by the parent company to subsidiary companies for management services. Disputes happen when tax authorities assess that the payment of management fees does not apply the Arm's Length Principle, then there is correction according to the appropriate market price. Thus, the amount of fees decreases, the amount of business profits increases, and the tax that must be paid increases (OECD, 2022).

The OECD Transfer Pricing Guidelines emphasize the importance of applying the Arm's Length Principle (Solilova & Nerudova, 2018). This is because if it is not applied, it will lead to the increase in tax obtainment in the country of the parent company which is generally a developed country and a decrease in the tax obtainment in the country of the subsidiary companies that are usually developing countries, affecting their welfare (Keuschnigg & Devereux, 2013).

The application of the OECD Transfer Pricing Guidelines in Poland may provide a win-win solution between taxpayers and tax authorities compared to the Czech Republic (Brychta & Sulik Górecka, 2019). In the European Union, the application of the Arm's Length Principle by tax authorities on the allocation of profits is not very effective. However, the Court may give a just decision (Peters, 2022).

So that the payment of management costs that are burdened by one company to another company in the group for management services is given by the Arm's Length Principle,



taxpayers must correctly document proofs of the existence of transactions. This is so that in the following years when it is audited by tax authorities, it is not corrected (Troidler, 2020). Tax authorities will carry out functional analyses on disputes of transfer pricing on management costs to identify manipulation of transfer fees and tax avoidance. Thus, taxpayers must also carry out functional analysis to prevent errors in tax calculation, which may lead tax authorities to determine indebted tax and sanctions (Ignat & Ionescu- Feleagă, 2022). One of the ways to determine whether a transaction applies the Arm's Length Principle or not carrying out a functional analysis of the given management services by comparing the same transaction with unaffiliated parties. Therefore, information technologies must be utilized (Jalan & Misquith, 2021).

The application of the Arm's Length Principle in transfer pricing regulations in Indonesia is regulated in the Law on Income Tax, which regulates that tax authorities have the authority to align taxable income for taxpayers with a special relationship (Dwindahany & Efendi, 2024). The OECD Transfer Pricing Guidelines regulate the Arm's Length Principle that transactions with affiliated companies must be in line with transactions with non-affiliated parties to prevent tax avoidance through manipulation of transfer fees (Rojo & Nina, 2020). The failure to apply the Arm's Length Principle may increase the tax obtainment of the parent company which is commonly a developed country and decrease the tax obtainment of the country of the subsidiary company which is usually a developing country. This disturbs the developing country's welfare (Kato & Okoshi, 2019).

This research shows that the application of the Arm's Length Principle may bring a win-win solution between taxpayers and tax authorities, such as what is seen in Poland (Georgijew, Nowak, Adamski, & Skrzypek, 2021). To make sure that the Arm's Length Principle pays management fees, taxpayers must document proofs of transactions and carry out functional analysis of management services' validity by utilizing information technologies (Bochkarev, Urasova, & Balandin, 2021). Transfer pricing often influences a group of companies that are spread in various jurisdictions with different regulations and tax tariffs. Thus, there needs to be cooperation between international and national tax authorities to prevent tax avoidance which may decrease the amount of tax paid. This is because the obtained tax is used for societal welfare (Brosens & Bossuyt, 2020).

### ***Supreme Judges' Legal Argumentation in the Decision of Transfer Pricing Management Fee Disputes in Indonesia***

Indonesia applies the self-assessment taxation system where taxpayers must independently calculate, pay, and report their taxes. However, if tax authorities obtain proof that the reported tax obligation is inappropriate, they may issue tax assessments according to the situation. Taxpayers who disagree with the tax determination may propose administrative or legal action in the form of an objection to tax authorities, cassation to the Tax Court, and judicial review to the Supreme Court.

Tax authorities or taxpayers may propose a proposal of judicial review to the Supreme Court. Based on the Supreme Court Decision Directory website, it is known that from 2007 to 2021, there were 196 decisions on transfer pricing tax dispute with the keyword "*management fee*," which includes taxes in general: 171; Corporate Taxpayer Income Tax: 6; Income Tax Article 21: 1; Income Tax Article 23: 5; Income Tax Article 26: 2; and Value-Added Tax: 11 (MARI, 2024). For this research, the authors chose decisions from the last two years, namely 2020 and 2021 which consist of twelve decisions. Eight of them were proposed by tax authorities while four of them were proposed by taxpayers. The type of tax chosen was the Corporate Taxpayer Income Tax as the management cost is a cost in calculating the Corporate Taxpayer Income Tax. Meanwhile, other types of taxes are secondary adaptations to the calculations in Corporate Taxpayer Income Tax. Arguments and decisions on the Supreme Court's judicial review on the dispute of transfer pricing management costs is shown in Table 1.

**Table 1.** Supreme Court's Judicial Review Arguments and Decisions on the Dispute of Transfer Pricing Management Costs Proposed by Tax Authorities

No	Decision Number	Supreme Court Decision and Legal Arguments
1	1631/B/PK/Pjk/2021	The proposal of judicial review by tax authorities was rejected. The Tax Court decision was upheld. This was because the tax authorities' corrections were not supported by strong evidence. The court fees were burdened on tax authorities as the defeated party.
2	5/B/PK/Pjk/2021	The proposal of judicial review by tax authorities was rejected. The Tax Court decision was strengthened. This was because concerning the assessment of evidence, Supreme Court Judges emphasized the principle of material truth, the principle of substance over form, and the principle of <i>ne bis vexari</i> rule that governmental actions must be carried out based on legal

No	Decision Number	Supreme Court Decision and Legal Arguments
		regulations and the law. In this case, the tax determination carried out by tax authorities was not based on legal authorities, procedures, and substances. It did not follow the general principle of good governance, especially the principle of legal certainty and accuracy. The court fees were burdened on tax authorities as the defeated party.
3	1314/B/PK/Pjk/2020	The proposal of judicial review by tax authorities was rejected. The Tax Court's decision was upheld as concerning the evidence assessment, Supreme Court Judges emphasized the principle of material truth, the principle of substance over form, and the principle of <i>ne bis vexari</i> rule that governmental actions must be carried out based on legal regulations and the law. The tax determination by tax authorities was carried out without legal authorities, procedures, and substances. The court fees were burdened on tax authorities as the defeated party.
4	4478/B/PK/Pjk/2020	The proposal of judicial review by tax authorities was rejected. The Tax Court decision was strengthened. This was because concerning the assessment of evidence, Supreme Court Judges emphasized the principle of material truth, the principle of substance over form, and the principle of <i>ne bis vexari</i> rule which requires that all governmental administrative actions must be carried out based on legal regulations and the law. The tax determination by tax authorities was carried out without legal authorities, procedures, and substances. It did not follow the general principle of good governance, especially the principle of legal certainty and accuracy. The court fees were burdened on tax authorities as the defeated party.
5	698/B/PK/Pjk/2020	The proposal of judicial review by tax authorities was rejected. The Tax Court decision was strengthened. This was because concerning the assessment of evidence, Supreme Court Judges emphasized the principle of material truth, the principle of substance over form, and the principle of <i>ne bis vexari</i> that governmental actions must be carried out based on legal regulations and the law. The court fees were burdened on tax authorities as the defeated party.
6	817/B/PK/Pjk/2020	The proposal of judicial review by tax authorities was rejected. The Tax Court's decision was upheld. This was because concerning the assessment of evidence, Supreme Court Judges emphasized the principle of material truth, the principle of substance over form, and the principle of <i>ne bis vexari</i> that governmental actions must be carried out based on legal regulations and the law. The tax determination by tax authorities was carried out without legal authorities, procedures, and substances. The court fees were burdened on tax authorities as the defeated party.

No	Decision Number	Supreme Court Decision and Legal Arguments
7	355/B/PK/Pjk/2019	The proposal of judicial review by tax authorities was rejected. The Tax Court decision was strengthened. This was because the assessment of evidence emphasizes the principle of material truth. The court fees were burdened on tax authorities as the defeated party.
8	2089/B/PK/PJK/2017	The proposal of judicial review by tax authorities was rejected. The Tax Court's decision was upheld. This was because the tax authorities' corrections were not supported by strong evidence. The court fees were burdened on tax authorities as the defeated party.

Source: Mahkamah Agung Republik Indonesia (The Republic of Indonesia's Supreme Court) (2024)

Table 1 shows that the Supreme Court consistently rejects tax authorities' proposal of judicial review. The main reason was that the tax authorities' corrections were not supported by strong evidence, such as what happened in cases No. 1631/B/PK/Pjk/2021 and No. 2089/B/PK/PJK/2017. The Supreme Court prioritizes the principle of material truth, the principle of substance over form, which emphasizes substance rather than formality. Apart from that, it also emphasizes the principle of *ne bis vexari* rule and the general principle of good governance, especially the principle of legal certainty and accuracy. In decision No. 2089/B/PK/PJK/2017, the Supreme Court Judges also considered the OECD Transfer Pricing Guidelines which are not a state law but an international agreement or a law of the international community. In this case, the Supreme Court burdened the court fees on tax authorities as the defeated party.

Meanwhile, arguments and decisions on the Supreme Court's judicial review on the dispute of transfer pricing management costs proposed by taxpayers are shown in Table 2.

**Table 2.** Supreme Court's Judicial Review Arguments and Decisions on the Dispute of Transfer Pricing Management Costs Proposed by Taxpayers

No	Decision Number	Supreme Court Decision and Legal Arguments
1	2137/B/PK/Pjk/2020	The proposal of judicial review by taxpayers was accepted as it relates to the fiscal-juridical issue that is followed by proof assessments by the Supreme Court which emphasizes the principle of material truth, the principle of substance over form as taxpayers may file proofs that support the truth in their management fee expenditures and burdened them on the Court, the fees were burdened on tax authorities as the defeated party.

No	Decision Number	Supreme Court Decision and Legal Arguments
2	4170/B/PK/Pjk/2019	The proposal of judicial review by taxpayers was objected. The Tax Court decision was strengthened, as the core of the dispute has a legal relationship ( <i>innerlijke samenhang</i> ) with the case that was decided by the Tax Court in a correct manner as taxpayers failed to show proofs that support the truth in their management fee expenditures. The court fees were burdened on taxpayers as the defeated party.
3	4263/B/PK/Pjk/2019	The proposal of judicial review by taxpayers was objected. The Tax Court decision was strengthened, as the core of the dispute has a legal relationship ( <i>innerlijke samenhang</i> ) with the case that was decided by the Tax Court in a correct manner as taxpayers failed to show proofs that support the truth in their management fee expenditures. The court fees were burdened on taxpayers as the defeated party.
4	282/B/PK/Pjk/2018	The proposal of judicial review by taxpayers was accepted. The Supreme Court decision was revoked as taxpayers filed proof that supported the truth in their management fee expenditures. The court fees were burdened on taxpayers as the defeated party.

Source: Mahkamah Agung Republik Indonesia (The Republic of Indonesia's Supreme Court) (2024)

Table 2 shows that the Supreme Court's decision to review the dispute of transfer pricing management costs depends on the judges' belief in the presented proofs in court to show justice and whether or not there are management fees. Supreme Court Judges are not limited to the application of the positive law. However, they emphasize the principle of truth or material substance over form. In deciding on disputes, the Supreme Court also consider whether the core of the dispute has a legal relationship (*innerlijke samenhang*) with the case that was decided. This aims to create consistency in related and similar dispute decisions. In accepted decisions proposed by taxpayers, court fees were burdened on taxpayers as the defeated party.

Based on the research results in Table 1 and Table 2, it is known that Supreme Court Judges' argument in making a decision on a dispute of transfer pricing management costs is to uphold the law and justice by believing that proofs emphasize substantial truth rather than formal truth with the principle of substance over form. Meanwhile, for the legal basis, the Supreme Court is not only guided by the positive law but also the law of the international society, namely the OECD Transfer Pricing Guidelines. It also uses legal principles as its basis. There are no differences in Supreme Court Judges' arguments in the judicial review decisions of the Republic of Indonesia's Supreme Court on the demands for transfer pricing management costs that are burdened on taxpayers and that are given to tax authorities.

Concerning court fees, the percentage of Taxation General Directory on Taxation judicial review in the Supreme Court is very small. In 2018, there were 4,087 disputes and 96.5% of the judicial review that was proposed by the tax authorities was rejected by the Supreme Court. This means that tax authorities must pay the court fees in the amount of Rp. 2,500,000 (two million five hundred rupiahs) for every dispute lost (Pratiwi & Laina, 2019). In this research, the number of Supreme Court judicial review decisions on tax disputes was 4,751. If 96% of the time the tax authorities lost and must pay for the court fees with an amount of Rp. 2,500,000 which means that the state must pay court fees with an amount of Rp11,402,400,000 (Mahkamah Agung Republik Indonesia (The Republic of Indonesia's Supreme Court), 2024). Apart from the burden of court fees, the tax authorities must also return the tax that was the right of the taxpayers. This was because the tax authorities made an error in determining that tax. In 2019, the taxes that tax authorities returned to taxpayers amounted to Rp22.5 trillion due to tax authorities' losses against taxpayers in the Tax Court and Supreme Court (DDTCNews, 2019).

The Supreme Court's decisions tend to be consistent in deciding similar cases. This shows that legal actions that are repeated in similar cases may not be necessary (Wilkie, 2022). Procedural justice significantly influences the acceptance of tax authorities' decisions. Taxpayers tend to accept decisions that are deemed just, decreasing the chance for an appeal (Niesiobedzka & Kolodziej, 2019). Tax authorities have a higher probability of winning cases in the Supreme Court administration compared to individuals and business entities. This shows the potential for bias that may be utilized to avoid unnecessary judicial review (Huang, Chien, & Lin, 2014). The decrease in audit errors and the increase in procedural justice may result in higher obedience and fewer conflicts will in turn decrease the burdens on the court system (Kogler, Mittone, & Kirchler, 2016). For disputes where the Supreme Court consistently countered tax authorities, it is better to avoid proposing judicial review to save court fees and administrative resources (Wilkie, 2022). There must be an increase in taxation procedure appropriateness to increase the acceptance of taxpayers on decisions and decrease the number of appeals (Niesiobędzka & Kołodziej, 2020).

Considering the large percentage of losses that impact a high burden of court fees and the determined tax returns due to calculation errors, tax authorities need to undergo an evaluation. This is crucial as the Supreme Court tends to be consistent in deciding on similar disputes. Thus, for similar disputes that the Supreme Court deemed as lost, there is no need to

file a lawsuit for judicial review to the Supreme Court. Apart from that, in deciding on the dispute of transfer pricing management costs, Supreme Court Judges are not limited to only using the positive law. However, they also use principles and legal principles. Thus, in creating laws, the Legislative House and the President need to consider Supreme Court decisions as material legal sources. The President, the Minister of Finance, and the Taxation General Directory must also consider Supreme Court decisions in determining regulations that become guidelines to prevent errors in tax determination.

## CONCLUSION

Research results show that in creating legal arguments in deciding upon disputes on transfer pricing management fees in Indonesia, Supreme Court Judges use written and unwritten laws as their basis. They include international laws, strong evidence, as well as judges' knowledge of legal philosophies, legal principles, and previous decisions. Therefore, taxpayers must document proofs of transactions and carry out functional analyses according to the Arm's Length Principle to prove the truth in paying management fees. This is so that the tax authorities do not determine them as underpayment of tax.

Supreme Court Judges' argument in deciding upon a dispute on transfer pricing management fees related to the assessment of proofs emphasizes substantial truth with the substantial principle over its form based on the positive law and the OECD Transfer Pricing Guidelines as the law that lives in the international community and legal principles. The percentage of victory by tax authorities in tax disputes in the Supreme Court is very low. Thus, this leads to an increase in court fee payments and tax returns due to assessment errors.

This research recommends that tax authorities do not need to propose judicial reviews on similar disputes that have been determined by the Supreme Court. Apart from that, the Supreme Court Judges' argument in their decision must be used as a material legal source in the formation of implementing legal regulations to prevent the repeat of tax assessment errors that will in the end be defeated by the Supreme Court. Transfer pricing concerns transactions between companies in one group that is located in some jurisdictions with different tax tariffs. The authors suggest that future research may compare transfer pricing practices in other countries.

## REFERENCES

- Akbar, M. F. (2023). The urgency of law reforms on economic crimes in Indonesia. *Cogent Social Sciences*, 9(1), 1. <https://doi.org/10.1080/23311886.2023.2175487>
- Amaya, A. (2023). Reasoning in Character: Virtue, Legal Argumentation, and Judicial Ethics. *Ethical Theory and Moral Practice*. <https://doi.org/10.1007/s10677-023-10414-z>
- Bärsch, S. E., Ditz, X., & Kluge, S. (2019). Transfer Pricing in Business Practice in the Light of BEPS and Digital Transformation. *International Transfer Pricing Journal*, 2019(3), 184–188. <https://doi.org/10.59403/2efyzam>
- Blažková, K. (2022). Judicial Philosophy: Legal, rather than Extra-legal Influence on Judicial Decision-Making. *Casopis pro Právni Vedu a Praxi*, 30(2), 411–421. <https://doi.org/10.5817/CPVP2022-2-8>
- Bochkarev, A., Urasova, A., & Balandin, D. A. (2021). Methodological aspects of information support in the enterprise management system. *ACM International Conference Proceeding Series*, 1–4. New York, NY, USA: ACM. <https://doi.org/10.1145/3487757.3490853>
- Brosens, L., & Bossuyt, J. (2020). Legitimacy in international Tax law-making: Can the OECD remain the guardian of open tax norms? *World Tax Journal*, 12(2). <https://doi.org/10.59403/8jtx0e>
- Brychta, K., & Sulik-Górecka, A. (2019). Legal regulation for advance pricing agreements in the Czech Republic and Poland – A comparative case study. *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, 67(1), 209–224. <https://doi.org/10.11118/actaun201967010209>
- Buono, E. (2020). Transfer Pricing Aspects of Intra-Group Services: What Are the Open Issues and What Can Be Improved? *International Transfer Pricing Journal*, 2020(1), 19–27. <https://doi.org/10.59403/7f1243>
- Butler, M., Wang, L., & Vu, C. (2021). Full Federal Court Dismisses Commissioner of Taxation’s Appeal in Commissioner of Taxation v. Glencore and Finds Prices for Copper Concentrate Were Arm’s Length. *International Transfer Pricing Journal*, 2021(4), 271–282. <https://doi.org/10.59403/15s9fe0>
- Castro-Montero, J. L., & Proaño Durán, M. (2018). Legal argumentation and judicial decision making: Empirical evidence from Ecuador. *Revista Derecho Del Estado*, (41), 37–65. <https://doi.org/10.18601/01229893.n41.02>
- Chochiev, A. (2019). TogliattiAzot: Russian Courts Endorse Simplistic Approach to Transfer Pricing Valuation. *International Transfer Pricing Journal*, 2019(2), 147–150. <https://doi.org/10.59403/22k2gtx>
- Constant, A. (2024). A Bayesian model of legal syllogistic reasoning. *Artificial Intelligence and Law*, 32(2), 441–462. <https://doi.org/10.1007/s10506-023-09357-8>
- Coyle, S. (2015). Modern jurisprudence: a philosophical guide. In *Choice Reviews Online* (Vol. 52). Oxford: Hart Publishing. <https://doi.org/10.5860/choice.186094>
- Croucher, J. S., & Hon, S. (2022). Judge or Jury? a legal conundrum. *International Journal of Criminal Justice Sciences*, 17(1), 83–92. <https://doi.org/10.5281/zenodo.4756091>
- DDTCNews. (2019). Sekitar 17% Restitusi Akibat Kekalahan Ditjen Pajak dalam Sengketa.
- Douvier, P. J., & Gocer, S. (2023). Transfer Pricing and Valuation of Intangible Assets: The French Supreme Administrative Court Opens a Debate about the Weighting of Methods. *International Transfer Pricing Journal*, 2023(2), 91–94. <https://doi.org/10.59403/1mdf3e>
- Dudash, T. (2022). Analyzing Legal Argumentation: What Theoretical Model Is the Most Comprehensive? *Studia Iuridica Lublinensia*, 31(3), 85–103.



- <https://doi.org/10.17951/sil.2022.31.3.85-103>
- Dwindahany, C. S., & Efendi, S. (2024). Should Excessive Marketing Expenses Be Remunerated? Lessons From Indonesia's Tax Court Decisions. *Jurisdicție: Jurnal Hukum Dan Syariah*, 15(1), 1–33. <https://doi.org/10.18860/j.v15i1.26915>
- Engel, C., & Weinshall, K. (2020). Manna from Heaven for Judges: Judges' Reaction to a Quasi-Random Reduction in Caseload. *Journal of Empirical Legal Studies*, 17(4), 722–751. <https://doi.org/10.1111/jels.12265>
- Feteris, E. T. (2017a). Epilogue: Main trends in research of legal argumentation. In *Argumentation Library* (Vol. 1, pp. 339–353). Springer Nature. [https://doi.org/10.1007/978-94-024-1129-4\\_12](https://doi.org/10.1007/978-94-024-1129-4_12)
- Feteris, E. T. (2017b). The pragma-dialectical approach of legal argumentation. In *Argumentation Library* (Vol. 1, pp. 201–254). Speech Communication, Argumentation Theory and Rhetoric, University of Amsterdam, Amsterdam, Netherlands: Springer Nature. [https://doi.org/10.1007/978-94-024-1129-4\\_10](https://doi.org/10.1007/978-94-024-1129-4_10)
- Florczak-Wątor, M. (2022). Constitutional Law and Precedent: International Perspectives on Case-Based Reasoning. In *Constitutional Law and Precedent: International Perspectives on Case-Based Reasoning*. London: Routledge. <https://doi.org/10.4324/9781003264262>
- Georgijew, I., Nowak, R., Adamski, T., & Skrzypek, A. (2021). Poland. In *Intangibles in the World of Transfer Pricing: Identifying - Valuing - Implementing* (pp. 553–559). Cham: Springer International Publishing. [https://doi.org/10.1007/978-3-319-73332-6\\_37](https://doi.org/10.1007/978-3-319-73332-6_37)
- Green, A., & Yoon, A. H. (2017). Triaging the Law: Developing the Common Law on the Supreme Court of India. *Journal of Empirical Legal Studies*, 14(4), 683–715. <https://doi.org/10.1111/jels.12161>
- Hall, M. A., & Wright, R. F. (2008). Systematic Content Analysis of Judicial Opinions. *California Law Review*, 96(1), 79. <https://doi.org/10.15779/Z38R99R>
- Hernández, G. (2023). 'With a Steady Hand': Precedent and the International Court of Justice. *Max Planck Yearbook of United Nations Law*, 26(1), 227–249. [https://doi.org/10.1163/18757413\\_02601012](https://doi.org/10.1163/18757413_02601012)
- Huang, S. C., Chien, Y. Y., & Lin, S. (2014). Do judgments on tax litigations show partiality for the government as a litigant? - preliminary evidence on tax case adjudicated decisions. *NTU Management Review*, 25(1), 185–214. <https://doi.org/10.6226/NTURM2014.JAN.R11038>
- Ignat, I., & Ionescu-Feleagă, L. (2022). How to Perform a Transfer Pricing Analysis in Case of Manufacturing Entities. In *Contributions to Finance and Accounting: Vol. Part F219* (pp. 59–102). Department of Accounting and Auditing, Bucharest University of Economic Studies, Bucharest, Romania: Springer Nature. [https://doi.org/10.1007/978-3-030-93889-5\\_3](https://doi.org/10.1007/978-3-030-93889-5_3)
- Irwansyah. (2020). *Penelitian Hukum Pilihan Metode dan Praktik Penulisan* (Cet-4; Ahsan Yunus, Ed.). Yogyakarta: Mirra Buana Media.
- Jalan, N., & Misquith, E. (2021). Comparability Adjustments in Transfer Pricing and the Need for a Digital Data Intensity Adjustment. *Intertax*, 49(6–7), 532–548. <https://doi.org/10.54648/taxi2021052>
- Kato, H., & Okoshi, H. (2019). Production location of multinational firms under transfer pricing: the impact of the arm's length principle. *International Tax and Public Finance*, 26(4), 835–871. <https://doi.org/10.1007/s10797-018-9523-2>
- Keuschnigg, C., & Devereux, M. P. (2013). The arm's length principle and distortions to multinational firm organization. *Journal of International Economics*, 89(2), 432–440. <https://doi.org/10.1016/j.jinteco.2012.08.007>

- Klappstein, V. (2021). Why Does Legal Reasoning Necessitate an Interdisciplinary Discourse and an Examination from the Point of Theory of Science? In *Law and Philosophy Library* (Vol. 138, pp. 37–66). Passau University, Passau, Germany: Springer Science and Business Media B.V. [https://doi.org/10.1007/978-3-030-83841-6\\_3](https://doi.org/10.1007/978-3-030-83841-6_3)
- Kogler, C., Mittone, L., & Kirchler, E. (2016). Delayed feedback on tax audits affects compliance and fairness perceptions. *Journal of Economic Behavior and Organization*, 124, 81–87. <https://doi.org/10.1016/j.jebo.2015.10.014>
- Krippendorff, K. (2004). *Content Analysis An Introduction to Its Methodology* (2nd Editio). London: SAGE Publications. <https://doi.org/10.1103/PhysRevB.31.3460>
- Krokhicheva, G. E., Zhabin, E. A., Koltireva, I. V., & Shutsyuan, S. (2022). Optimization of Tax Payments and Their Accounting in the Accounting and Analytical System of the Corporation. In T. P.V. & C. M.V. (Eds.), *Lecture Notes in Networks and Systems: Vol. 380 LNNS* (pp. 608–612). Don State Technical University, Rostov-on-Don, Russian Federation: Springer Science and Business Media Deutschland GmbH. [https://doi.org/10.1007/978-3-030-94245-8\\_83](https://doi.org/10.1007/978-3-030-94245-8_83)
- Leszczyński, L. (2020). Extra-Legal Values in Judicial Interpretation of Law: A Model Reasoning and Few Examples. *International Journal for the Semiotics of Law*, 33(4), 1073–1087. <https://doi.org/10.1007/s11196-020-09773-y>
- Leszczynski, L., Lizewski, B., & Szot, A. (2019). Lex et res publicapotential of precedent in the statutory legal order. In L. Leszczyński, B. Lizewski, & A. Szot (Eds.), *Lex et Res PublicaPotential of Precedent in the Statut. Leg. Order*. Maria Curie-Sklodowska University, Lublin, Poland: Peter Lang D. <https://doi.org/10.3726/b15625>
- Lisdiyono, E. (2017). Improving Legal Argument Critically In The Litigation Mechanism In Indonesia (An Empirical Study Of Environmental Verdicts). *Sriwijaya Law Review*, 1(1), 080. <https://doi.org/10.28946/slrev.Vol1.Iss1.10.pp080-092>
- Liu, J. Z., Klöhn, L., & Spamann, H. (2021). Precedents and Chinese Judges: An Experiment. *American Journal of Comparative Law*, 69(1), 93–135. <https://doi.org/10.1093/ajcl/avab009>
- Lorenz, J. (2019). Population dynamics of tax avoidance with crowding effects. *Journal of Evolutionary Economics*, 29(2), 581–609. <https://doi.org/10.1007/s00191-018-0572-6>
- Mahkamah Agung Republik Indonesia (The Republic of Indonesia's Supreme Court). (2024). Supreme Court Website. Retrieved July 15, 2024, from <https://www.mahkamahagung.go.id/id>
- Mao, Y., & Gotfried, A. (2019). The Cameco Decision: A Welcome Glimpse of Transfer Pricing in the Post-BEPS World. *International Transfer Pricing Journal*, 2019(2), 91–95. <https://doi.org/10.59403/3wmfd7>
- MARI. (2024). Putusan Sengketa Pajak Transfer Pricing Management Fee.
- Maroń, G. (2020). References to Common Law in the Reasons for Judgments by Polish Courts. *Review of European and Comparative Law*, 40(1), 131–161. <https://doi.org/10.31743/recl.5156>
- Marshall, J. M. (2020). Examining judicial decision-making: An axiological analytical tool\*. *Studia Iuridica Lublinensia*, 29(3), 55–65. <https://doi.org/10.17951/sil.2020.29.3.55-65>
- Martins, A., Correia, S., & Taborda, D. (2020). Group Transactions, Transfer Pricing and Litigation: Evidence from Portugal. *Intertax*, 48(11), 998–1011. <https://doi.org/10.54648/taxi2020101>
- McConville, M., & Chui, W. H. (2007). Introduction and Overview. In *Research Methods for Law* (pp. 3–7). Edinburgh: Edinburgh University Press.
- Navarro, A. A. (2022). Virtue and Legal Reasoning. *Ars Interpretandi*, 27(1), 9–32.

- <https://doi.org/10.7382/104275>
- Niesiobedzka, M., & Kolodziej, S. (2019). The impact of procedural fairness and extent of a tax loss or gain on the acceptance of tax authority decisions and the intention to appeal against them. *Psychology, Public Policy, and Law*, 25(1), 46–56. <https://doi.org/10.1037/law0000187>
- Niesiobędzka, M., & Kołodziej, S. (2020). The fair process effect in taxation: the roles of procedural fairness, outcome favorability and outcome fairness in the acceptance of tax authority decisions. *Current Psychology*, 39(1), 246–253. <https://doi.org/10.1007/s12144-017-9762-x>
- Nussbaum, M. C. (2020). Legal reasoning. In *The Cambridge Companion to the Philosophy of Law* (pp. 59–77). Department of Philosophy and Law School, University of Chicago, United States: Cambridge University Press. <https://doi.org/10.5840/teachphil19858242>
- OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2010. (2013). In *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2010*. Paris: OECD. <https://doi.org/10.1787/9789264196438-uk>
- Pavčnik, M. (2022). Questioning the Issue of Interpretation Priority (Law As System of Principles and Rules). *Jusletter IT*, (June), 303–306. <https://doi.org/10.38023/3A823AC3-F7BF-47F4-AF7C-16AAD984B250>
- Peters, C. (2022). Critical Analysis of the General Court’s ‘EU Arm’s Length Tool’: Beware of the Reflexivity of Transfer Pricing Law! *EC Tax Review*, 31(1), 30–49. <https://doi.org/10.54648/ecta2022004>
- Pratiwi, D. R., & Laina, D. (2019). Menakar Kinerja Otoritas Pajak dalam Sengketa Pajak. *Buletin APBN*, IV, 7–10.
- Rachlinski, J. J., & Wistrich, A. J. (2017). Judging the judiciary by the numbers: Empirical research on judges. *Annual Review of Law and Social Science*, 13(1), 203–229. <https://doi.org/10.1146/annurev-lawsocsci-110615-085032>
- Re, R. M. (2022). Personal Precedent At the Supreme Court. *Harvard Law Review*, 136(3), 825–860.
- Rigoni, A. (2015). An improved factor based approach to precedential constraint. *Artificial Intelligence and Law*, 23(2), 133–160. <https://doi.org/10.1007/s10506-015-9166-x>
- Rigoni, A. (2021). Aa-Rm Wrestling: Comparing Analogical Approaches And Rule Models For Legal Reasoning. *Legal Theory*, 27(3), 207–235. <https://doi.org/10.1017/S135232522100015X>
- Rojo, L. D., & Nina, P. N. (2020). The Use of Paragraphs 1.119 to 1.128 of the 2017 OECD Transfer Pricing Guidelines for the Application of Transfer Pricing Rules. *Intertax*, 48(6–7), 616–623. <https://doi.org/10.54648/taxi2020056>
- Samuel, G. (2018). Rethinking legal reasoning. In *Rethinking Legal Reasoning*. Kent Law School, United Kingdom: Edward Elgar Publishing Ltd. <https://doi.org/10.4337/9781784712617>
- Santos, P. A., & Roesler, C. R. (2019). Argumentation, Facts and Truth in the Criminal Process in Constitutional States. *Revista Eletronica de Direito Processual*, 20(1), 407–441. <https://doi.org/10.12957/redp.2019.36923>
- Schultz, D., & Schultz, D. (2022). Constitutional Precedent in US Supreme Court Reasoning. In *Constitutional Precedent in US Supreme Court Reasoning*. Political Science, Legal Studies, and Environmental Studies, Hamline University, Saint Paul, MN, United States: Edward Elgar Publishing Ltd. <https://doi.org/10.4337/9781839103131>
- Screpante, M. (2019). Rethinking the arm’s length principle and its impact on the IP licence model after OECD/G20 BEPS actions 8-10: Nothing changed but the change? *World Tax*

- Journal*, 11(3), 425–479. <https://doi.org/10.59403/3x7kjs6>
- Sherwin, E. (2023). Do Precedents Constrain Reasoning? In *Philosophical Foundations of Precedent* (pp. 158–170). Cornell Law School, United States: Oxford University Press. <https://doi.org/10.1093/oso/9780192857248.003.0013>
- Solilova, V., & Nerudova, D. (2018). Transfer pricing rules for SMEs in the EU. In *Contributions to Management Science* (pp. 9–58). Mendel University, Brno, Czech Republic: Springer. [https://doi.org/10.1007/978-3-319-69065-0\\_2](https://doi.org/10.1007/978-3-319-69065-0_2)
- Tambunan, M. R. U. D. (2020). Transfer Mispricing on Intra-group Trading Performed by Multinational Manufacturing in Indonesia: Evidence from Indonesian Tax Court 2015–2019. *Global Trade and Customs Journal*, 15(5), 262–271. <https://doi.org/10.54648/gtcj2020035>
- Teo, M. (2022). Proportionality as Epistemic Independence. *Public Law*, 2022(2), 245–268.
- Theodoro, M. A., Dos Santos, R. M. P., & Nascimento, V. R. (2020). Judicial reasoning as a way of containing judicial power. *Revista Juridica*, 2(59), 703–724. <https://doi.org/10.21902/revistajur.2316-753X.v2i59.5115>
- Treidler, O. (2020). Transfer Pricing in One Lesson, A Practical Guide to Applying in Intercompany Transactions. In *Springer Nature Switzerland AG*. Cham: Springer International Publishing. <https://doi.org/10.1007/978-3-030-25085-0>
- Trelles, J. E. S., & Paredes, N. A. (2021). An Inductive Method for Teaching Legal Reasoning and Argumentation. *Proceedings of the 2021 IEEE Sciences and Humanities International Research Conference, SHIRCON 2021*, 1–4. Centre for Interdisciplinary Science and Society Studies (CIICS), Universidad de Ciencias y Humanidades, Lima, Peru: IEEE. <https://doi.org/10.1109/SHIRCON53068.2021.9652357>
- Weinreb, L. L. (2016). Legal reason: The use of analogy in legal argument, second edition. In *Legal Reason: The Use of Analogy in Legal Argument, Second Edition* (2nd ed.). New South Wales, United States: Cambridge University Press. <https://doi.org/10.1017/CBO9781316597774>
- Widodo. (2020). *Konstruksi dan Aplikasi Metode Kontemporer Dalam Penelitian Hukum: Kombinasi Analisis Doktrinal dan Non-doktrinal*. Yogyakarta: Aswaja Pressindo.
- Wilkie, J. S. (2022). A Short Update on the Dow Chemical Canada Case: Downward Transfer Pricing Adjustments. *International Transfer Pricing Journal*, 2022(5), 345–350.
- Zurek, T., Araszkievicz, M., & Stachura-Zurek, D. (2022). Reasoning with principles. *Expert Systems with Applications*, 210, 118496. <https://doi.org/10.1016/j.eswa.2022.118496>