ABSTRACT

This study aims to examine what kind of dividend policy theory is appropriate to be applied to ASEAN 5 countries. The object of research is 5 ASEAN countries which include Indonesia, Malaysia, Philippines, Singapore and Thailand, by disclosing and presenting the required data, using the numerical units obtained in complete daily financial reporting and market data which includes data on dividends per share, earnings per share, price per share, market book value, total assets, and growth.

The method used in the selection of objects in this study is purposive sampling involving 5 ASEAN countries listed on Bloomberg for the period 2000-2022 with an observation period of 22 years with 86 samples of companies. The analytical model used in this study is the VAR-X analysis model which was carried out with the help of the latest version of the EViews program.

The results of this study indicate that the theory of dividend smoothing and signaling policy is the right theory for Indonesia, while the relevant dividend policy theory is appropriate for Malaysia, Philippines and Thailand. The last one is for Singapore because all the results of the Granger causality test have a prob value > 0.05, so none of the three theories in the literature are appropriate to apply.

Keywords: *Collateralizable Asset, Investment Decision, Dividend, Earning, Stock Price, Relevant Dividend Theory, Smoothing and Signaling.*