ABSTRACT

This study aims to determine the effect of corporate governance on tax avoidance in financial componies listed on the Indonesia Stock Exchange. The dependent variable tested in this study is tax avoidance. Meanwhile, the independent varaibles in this study are institusional ownership, managerial ownership, board of directors and audit quality.

The data used in this study is secondary data obtained from the annual financial ststements of finnacial companies listed on the Indonesia Stock Exchange and the Bloomberg database. The final sample used is 135 samples of financial companies in 2015-2019. The sampling technique used was purposive ssampling. The method of data analysis in this study used multiple liniear regression analysis.

The results provide evidence that institusional ownership, managerial ownership and audit quality have a positive and significant effect on the effective tax rate so that the hypothesis is accepted. Meanwhile, the board of directors variable does not have a significant effect on the effective tax rate.

Keywords : *Corporate Governance, Institusional Ownership, Managerial Ownership, Board of Directors, audit quality, tax avoidance, effective tax rate*