

ABSTRACT

This study aims to examine the effect of good corporate governance on tax avoidance which is proxied by the ETR (Effective tax rate). Good corporate governance in this study focused on independent commissioners, institutional ownership, managerial ownership, audit committee, audit quality, company size, and executive character in manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2017 until 2021. The purposive sampling method was to collect data based on certain criteria, so that a sample of 23 companies was obtained. The type of data in this study is secondary data obtained from www.idx.co.id and bloomberg.

Based on the statistical tests show that independent commissioners and company size have a positive effect on tax avoidance, but institutional ownership, managerial ownership, audit committee, audit quality, and executive character have no effect on tax avoidance.

Keywords: Tax avoidance, effective tax rate, independent commissioners, institutional ownership, managerial ownership, audit committee, audit quality, company size, and executive character.