

ABSTRACT

This study aims to analyze the impact of geopolitical risk and financial constraints on tax avoidance in companies in Indonesia. The sample for this study consists of companies operating in the energy, coal, oil, and gas sectors in Indonesia from 2016 to 2023. This study employs purposive sampling to determine the sample to be used. The study uses the documentation method on the financial statements of companies obtained through the Bloomberg Database and the geopolitical risk index developed by Caldara and Iacoviello. Data analysis in this study uses multiple linear regression, which has previously undergone classical assumption tests. The results of this study indicate that geopolitical risk has no effect on tax avoidance. While, financial constraints have a positive effect on tax avoidance.

Keyword: Tax Avoidance, geopolitical risk, financial constraint