

ABSTRACT

This study aims to examine the effect of ownership structure on leverage with credit rating as a moderating variable. The ownership structure used in this study is government ownership and managerial ownership. Leverage is measured using a debt to assets ratio (DAR). Credit rating uses ratings issued by PEFINDO.

The sample used in this study is a company rated by PEFINDO and listed on the Indonesia Stock Exchange in 2015-2017. The number of samples used is 53 companies. Research data is obtained from the annual reports of each company and the PEFINDO official website. In determining the sample using a purposive sampling method.

The results of this study indicate that government ownership does not affect leverage, and the credit rating does not moderate the relationship between government ownership and leverage. Managerial ownership has a negative effect on leverage, and the credit rating moderates the relationship between managerial ownership and leverage.

Keywords: Ownership structure, Government ownership, managerial ownership, Leverage, Credit rating.