# *ABSTRACT*

*In the agency theory, investors (principal) expect high company performance, while managers (agent) want high incentives for their work. In order to fulfill high company performance, manager can manipulate accounting information. Accounting information that is often manipulated by manager is earnings. Consequently, earnings reported in the financial reporting will loss value relevance. Board of commissioner plays an important role as the investor's representative for constraining manipulation by manager. This study aims to examine whether application IFRS to earnings management can reduce practice earnings management and whether application IFRS to value relevance can increase profit companies.*

*The population in this study are all publicly listed service companies on the Indonesia Stock Exchange (IDX) 2009 - 2013. The number of samples are 89 companies from criteria observation. Regression analysis is used as a main analysis tool.*

*The result of this study doesn't find evidence that Application IFRS for earnings management. However, this study find the evidence that application IFRS for value relevance can increase profit the companies.*

*Keywords :IFRS, Earnings management, Value relevance*