

## **ABSTRACT**

*This study aimed to examine the effect of the percentage of the Islamic religion in a country as the independent variable and the capital structure of the company as the dependent variable. The first test is to test the influence of the percentage of the Islamic religion in a country on the debt to equity ratio of the company. Later in the second test to analyze the influence of the percentage of the Islamic religion in a country on the number of long-term debt of the company.*

*The data used in this study is secondary data. The study population is non-financial companies listed on the Stock Exchange Indonesia, Malaysia, Singapore and Thailand. The sampling method used in this research is purposive sampling with criteria of companies listed on the stock exchanges of Indonesia, Malaysia, Singapore and Thailand during 2012 to 2014 and present the financial statements for the year 2012 to 2014 in full. The total number of samples in this study were 100 companies from three (3) years of the study period. The analysis technique used is multiple regression analysis.*

*The results showed that the percentage of the Islamic religion in a country does not have a significant impact on the company's debt to equity ratio. While in the second test showed that that the percentage of the Islamic religion in a country has a significant effect on the amount of long-term corporate debt and has a negative influence direction.*

*Keywords : islamic finance, capital structure, long term debt, short term debt*