

ABSTRACT

The aim of this research is to examine the influence of corporate governance mechanism that measured by board of commissioner, Institutional investor, governmental ownership and also external auditor quality on firm's capital structure in Indonesia which measured by debt-to-equity ratio. This research also using three control variable which is growth opportunity, profitability and firm size.

The population in this research consist of all listed non-financial firms in Indonesia Stock Exchange (BEI) in the year 2012-2013. The sampling method of this research is purposive sampling with specific criteria. By doing sampling and processing data, the final amounts of the sample are 625 samples. This research using multiple regression analysis to examine the hypotesis.

The result of this research show that board of commissioner has negatively significant influenced on capitalstructure. Institutional investor has positively significant influenced to capital structure. Also, external auditor quality has negatively significant influenced to capital structure.

Keyword : *corporate governance, capital structure, debt-to-equity ratio, agency theory*