

ABSTRACT

This study aims to examine the influence of corporate governance on bond rating. Variables examined in this research consisted of corporate governance which measured by board of commissioners size, audit committees size, managerial ownership, and institutional ownership. Bond ratings are measured by the ratings from Pefindo.

The sample which is used in this research was non-financial companies which had bond ratings from Pefindo and listed on the Indonesian Stock Exchange during the period 1 Januari 2010- 31 May 2014. Based on purposive sampling method, sample amount of 52 companies. The analysis technique in this study uses an ordinal logistic regression analysis which used SPSS program version 20.

The results showed that corporate governance mechanisms which measured by audit committees size has significant effect on bond ratings. Meanwhile, board of commissioner size, managerial ownership and institutional ownership have not significant effect on bond ratings.

Keyword : corporate governance mechanism, bond ratings