

## ***ABSTRACT***

*Asymmetric of information sometimes occurs at the initial public offerings. Intellectual capital is an important factor which underlies the creation of value, gives lots of effect on the level of information asymmetric. Firm who does IPO, especially which is vulnerable to information asymmetric should understand the IC disclosure practices at the time of IPO. This study aims to examine the effects of ownership retention, proprietary costs, and corporate governance structures on the level of IC disclosures in the IPO prospectus.*

*The writer used a census method to take a sample in this study. The samples were 57 firms which do an IPO in the Indonesia Stock Exchange during 2005–2008. This study used content analysis method to measure the level of IC disclosure in the IPO prospectus. In this study the writer also used classical assumption test and hypothetical testing with multiple regression models.*

*The results of this study indicate that the three variables which are considered as determinants of IC disclosure is only the ownership retention that significantly influence on the level of IC disclosures. Ownership retention has a positive association on the extent of IC disclosures. However, contrary to the predictions, proprietary cost and corporate governance structure have no significant effect on the level of IC disclosures in the IPO prospectus.*

*Key words: intellectual capital, disclosure, ownership retention, proprietary cost, corporate governance structure, determinant, initial public offering*