

## **ABSTRACT**

*This study was conducted with the aim of examining the effect of related party transactions on company performance with political connections as a moderating variable in non financial companies listed on Indonesia Stock Exchange for the period 2015-2018. The dependent variable in this study is company performance. The independent variable used in this study is related party transactions. Furthermore, the moderating variable in this study is political connection.*

*This study uses secondary data from financial statements and annual reports on non-financial companies listed on the Indonesia Stock Exchange for the period 2015 to 2018. The research sample was selected using purposive sampling method, which then selected a sample of 40 companies. Hypothesis analysis test used in this study is multiple regression analysis with a fixed effect model.*

*The test results in this study indicate that related party transactions have a positive effect on company performance. The positive effect of related party transactions on the company's performance can be weakened by the existence of political connections within the company.*

**Keywords:** *related party transactions, political connections, company performance*