

**The Impact of Firm Characteristics on Mandatory Disclosure of
Companies Listed on the Indonesia Stock Exchange**

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Abstract :

This study examines the impact of firm characteristics on mandatory corporate disclosures. The company has an incentive to make mandatory disclosures. One is to show that the company has better performance than other companies. This study aims to determine what characteristics of the company influence the mandatory disclosure. By using a sample of annual financial reports from 207 companies listed on the Indonesian Stock Exchange (IDX) in 2017 and OLS analysis techniques this research was conducted. The results prove that managerial ownership, foreign ownership, profitability and industry type affect the level of mandatory corporate disclosure. Consistent with initial predictions, high managerial ownership establishes management positions and reduces public disclosure demands. As a result it reduces the level of mandatory disclosure. On the other hand, high foreign ownership encourages management to make better mandatory disclosures to meet the demands of foreign investors. A high level of profitability also encourages better mandatory disclosure to show the performance to the market in order to get investors. The demand for comprehensive reporting in the financial industry sector also encourages better mandatory disclosure.

Keywords: impact; firm characteristic; mandatory disclosure