ABSTRACT

The rank of bonds in the company should be a reference in increasing the credibility or ability to pay the company's obligations especially to investors. However, some companies are still failing to pay bonds, even more than once, so that the bond rating agencies lower their bond ratings to those companies with idD or default (defaulted) ratings.

The purpose of the study was to know the factors allegedly affecting bond ratings. The alleged variables to influence bond ratings are profit management, profitability, and Good Corporate Governance (GCG). This research uses methods of logistic regression analysis and descriptive analysis processed with SPSS 25. The company samples used were 29 non-financial companies ranked by PT PEFINDO in 2015-2018 with purposive sampling techniques.

The result of this research is that earnings management and profitability have no affect on bond ratings. While Good Corporate Governance (GCG) has positive effect on bond ratings.

Keywords: earnings management, profitability, ROCE, GCG, bond ratings