

## **ABSTRACT**

*Financial distress is a condition of a company that has a financial decline so that it is threatened that it cannot maintain business continuity. Companies need a system to prevent the emergence of financial distress to provide early warning if there are financial problems in the company. Several factors affect financial distress including liquidity, leverage, independent commissioners, institutional ownership, managerial ownership, intellectual capital.*

*This study aims to analyse the effect of liquidity, leverage, independent commissioners, institutional ownership, managerial ownership, intellectual capital as an independent variable on financial distress in the property sector, real estate, and construction of buildings and the utility and transportation infrastructure sectors listed on the Indonesia Stock Exchange period 2009-2018.*

*The research method used is quantitative. The type of data used is secondary data with data collection techniques through documentation and literature study. The data analysis technique is a survival analysis that is processed with SPSS 23. This study uses Cox proportional hazard to determine the probability of company survival. The sample used was 56 companies selected using the purposive sampling method.*

*The test results show that leverage and intellectual capital have a significant effect on financial distress. While liquidity, independent commissioners, institutional ownership, and managerial ownership do not affect financial distress. The next researcher is expected to use other independent variables such as company size, audit committee, the board size, government ownership, and so on. Then the advice for companies should pay attention to low levels of leverage and increase intellectual capital to avoid financial distress.*

*Suggestions for further researchers are expected to use other independent variables such as company size, audit committee, the board size, government ownership, and so on. Suggestions for companies should pay attention to low levels of leverage and increase intellectual capital to avoid financial distress.*

**Keywords :** *corporate governance, financial distress, financial ratios, intellectual capital.*