

Value Relevance for Disclosure of Transactions Value and Level of Disclosure of Related Party Transactions.

- **Author(s):** Zaenal Fanani ,Alya Firdausi
- **Abstract:** Related party transactions can be used by companies to create strategic partnerships, as well as for efficiency purposes. However, these transactions can also be utilized by management and majority shareholders to increase their wealth through expropriation. Criteria of related party transaction disclosure in BAPEPAM regulation no VIII. G.7 can be used to provide sufficient information for investors in assessing the purpose of such transactions conducted by the company. This quantitative study uses 201 data from companies listed on the Indonesia Stock Exchange in 2016. The aim of this study is to analyze the value relevance in the value of related party transaction in the balance sheet and in the income statement, as well as the value relevance of the disclosure level of related party transactions. The analysis technique used multiple linear regression. This study finds there is value relevance regarding the disclosure level of related party transactions, but not regarding the disclosure of transaction value of related parties, either in the balance sheet or income statement.
- **Keywords:** majority shareholders, analysis technique, disclosure of transaction, expropriation