

ABSTRACT

The research was conducted because there was development of the Fair Value usage and the need of the corporate governance implementation as a part of internal control. Therefore, the objectives of the research were to determine the significance of value relevance on the fair value, the significance of value relevance on the corporate governance and the significance of value relevance on the corporate governance effects to the fair value reliability.

In Indonesia, the standards of Fair Values related to the definition, the hierarchy input and the implementation are regulated through PSAK consisting of PSAK 68, PSAK 10, PSAK 13, PSAK 24, PSAK 30, PSAK 48, PSAK 50, PSAK 55 and PSAK 58. Regarding to the corporate governance, its implementation should comply the regulations as stated on UU No. 10 Year 1988 Jo 1992, UU No. 40 Year 2007, Regulations of Bank Indonesia (No. 8/4/PBI/2006, No. 11/33/PBI/2009, 12/13/DPbS, No. 15/15/DPNP dated 29 April 2013), Regulations of OJK (POJK No. 18/ POJK.03/2014, official letter No. 15/SEOJK.03/2015), Regulations of Bappepam (LK No.X.K.6, LK No. Kep 431/bl/2012). Regulations on corporate governance requires the corporation to asses the quality of the corporate governance and inform the results of the assesment in the yearly report.

The research revealed that the value relevance of Fair Value and Corporate Governannce have significances. In addition, the research also revealed that the value relevance of the Corporate Governannce affects to the Fair Value reliability is significance. Components of Fair Value that have significance impact to the Value Relevance consists of Fair Value Asset and Fair Value Liabilities. Moreover, the components of Fair Value based on hirarcy inputs that have significance impact to the Value Relevance consists of Fair Value Aset Level 1, Fair Value Aset Level 3 and Fair Value Liabilities Level 12. The Fair Value of OCI, the Fair Value Asset of Level 2, the Fair Value Liabilities of Level 3 does not have significance effects on Value Relevance.

Key Words: Value Relevance, Fair Value, Corporate Governance