

## ABSTRACT

*The importance of manufacturing companies to show the best performance of their work become the reason of financial statement fraud. This study has a purpose to acknowledge the effect of fraud diamond theory to financial statement fraud. The independent research of this study are financial stability, financial target, external pressure, nature of industry, ineffective monitoring, rationalization and capability. The dependent research of this study is financial statement fraud.*

*The population of this study consist of manufacturing companies listed on Stock Exchange (IDX) in 2017 until 2019. This study used purposive sampling method to choose the research sample. Based on the criteria, there are 61 companies through 3 (three) years of observation, in total there are 183 research samples. This study use statistic descriptive method and logistic regression analysis using the application SPSS 25 program.*

*The result of this study found that financial stability and nature of industry has a significant effect on financial statement fraud. Financial target, external pressure, ineffective monitoring, rationalization and capability has no significant effect on financial statement fraud.*

*Keyword : Financial Statement Fraud, Fraud Diamond, Financial Stability, Financial Target, External Pressure, Nature of Industry, Ineffective Monitoring, Rationalization, Capability.*