

## **ABSTRACT**

*Sharia financing is an alternative source of funding that is fair and a blessing for business actors who need additional capital to sustain their business. This study aims to determine the effect of knowledge, income, procedures, perceptions of interest rates and services on the decision of MSME actors to apply for sharia financing in the city of Semarang.*

*This study uses primary data with data collection methods in the form of questionnaires. The population in this study are Micro, Small and Medium Enterprises (MSMEs) who have applied for or are currently applying for sharia financing at the Islamic Financial Institutions in Semarang. The number of samples taken were 100 respondents who met the criteria. This study uses multiple linear regression analysis with SPSS version 26.*

*The results of the analysis of this study indicate that knowledge, income, procedures and services partially influence the decision of MSME actors to apply for Islamic financing. Meanwhile, the perception of interest rates partially does not affect the decision of MSME actors to apply for Islamic financing. Simultaneously, the results obtained are knowledge, income, procedures, perceptions of interest rates and services that affect the decision of MSMEs to apply for sharia financing.*

*Keywords: Knowledge, income, procedures, perception of interest rates, services, and Islamic financing*