

## **ABSTRACT**

*The development of Micro and Small Enterprises (MSEs) in Demak Regency shows a fairly stable growth trend; however, access to Sharia financing is still relatively low, at only around 3.3% of total business actors obtaining financing through BSI KCP Demak. This phenomenon raises questions about the factors that influence MSE actors' decisions to utilize Sharia financing. This study aims to analyze the influence of religiosity, ease of procedural access, knowledge of banking regulations, and profit-sharing mechanisms on MSEs' decisions in choosing financing products at Bank Syariah Indonesia, Demak Branch Office.*

*This study uses a quantitative approach with a survey method through the distribution of questionnaires to MSME actors in Demak Regency. The research sample was obtained using purposive sampling technique with a total of 100 business actors as respondents. The data were analyzed using multiple linear regression, which includes validity tests, reliability tests, classical assumption tests, as well as hypothesis tests through F tests and t tests to determine the simultaneous and partial effects among the research variables.*

*The research findings indicate that simultaneously religiosity, ease of access, banking regulations, and profit-sharing systems have a significant effect on the decisions of MSME actors in using Islamic financing. Partially, the religiosity variable has a positive and significant influence on financing decisions, which shows that religious values are an important consideration for MSME actors in areas with strong religious characteristics, such as Demak. The variables of ease of procedural access and regulation also have a significant impact, indicating that simple administrative processes and clarity of banking policies are major considerations for business actors. Meanwhile, profit-sharing mechanisms also have a significant influence, particularly because they are considered fairer and more flexible compared to fixed-interest schemes. These findings have strategic implications for BSI KCP Demak to improve service quality, simplify procedures, and optimize the socialization of sharia products to expand financing inclusion in the MSME sector.*

*Keywords: Religiosity, Ease of access, Financing decisions.*