

## **Factors Affecting Small and Medium Micro Enterprises (Msmes) in Taking Business Capital Financing in Peer to Peer Lending Institutions Sharia Qazwa.Id**

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**ABSTRACT** This study aims to determine what factors influence MSMEs in taking business capital financing at a sharia financing institution, *peer to peer lending* namely qazwa.id. This study uses a descriptive qualitative method with a non-probability namely *sampling technique, purposive sampling*. The results of this study indicate that there are three factors that influence MSMEs in taking business capital financing in qazwa, namely easy and fast access to financing, margins and the sharia system. Among these three factors, the factor that greatly influences MSMEs in taking business capital financing at qazwa is the sharia system used by qazwa, namely mudharabah and murabahah contracts as evidenced by the results of interviews the majority of 4 out of 10 respondents chose it.

**Keywords:** *Peer to Peer Lending* Sharia, Margin, Ease of Access, Sharia System, Business Capital Financing, Qazwa.id

### **1. INTRODUCTION**

In the economic development of a country, Micro, Small, and Medium Enterprises (MSMEs) have a very important role. In developed countries, MSMEs are prepared to support the country's economy. Because MSMEs are considered to have comprehensive benefits in solving state problems. MSMEs can create new jobs so that they can absorb labor, supply the majority of the country's GDP, and increase export production. MSMEs are considered to be a strong pillar of the economy and can support long-term economic growth.

In Indonesia, MSMEs have an important role in economic development, especially during the monetary crisis in 1998. Since the crisis that occurred in 1998, almost 80% of large businesses have gone bankrupt and many have been laid off. MSMEs play a very important role in reducing the unemployment rate. Therefore, the success of MSMEs can improve the Indonesian economy because MSME operational activities can be independent and do not bear the big burden due to the crisis. And what makes

MSMEs more resilient is because the level of risk they have is smaller in channeling and utilizing bank funds. (Kurniawati, Nugroho, & Arifin, 2012)

In meeting the financial needs of businesses, MSMEs need financing from banks or other financial institutions. The low productivity of MSMEs makes it difficult for MSMEs to access financing. Because most MSMEs are considered *unbankable* or do not meet the requirements for applying for credit in banks, banks tend to pay more attention to corporate loans. Whereas MSMEs are a potential market for financial services companies. Business activities can run if there is sufficient capital. In fact, sometimes capital adequacy is an absolute requirement for a business – both large and small – in order to obtain the desired results. Likewise with micro, small and medium enterprises (MSMEs), to be able to build and run a business requires sufficient capital. The problem of capital is a classic problem for MSMEs, even one of the causes of failure business. There are several factors that cause this problem, including: banking assessments that consider MSMEs to be less credible, MSMEs actually have financing opportunities from other financial institutions, but the occurrence of asymmetric information and limited range of banking services makes it difficult for MSMEs to find capital.

On the one hand, digitalization in the financial sector has recently received a new touch with the emergence of the start-up phenomenon around the world. However, a start-up is a business product that is still in the development stage. While the company that we usually call *financial technology (fintech)* is the finished product. This company offers a new breakthrough in serving our needs for financial services. *Fintech* provides the latest online-based services to help us process financial transactions quickly, easily, and efficiently. With a modern and practical system, fintech is not only present for payments, they also include *peer to peer lending*, *digital insurance*, *virtual money* and *crowdfunding* (Stern, Mäkinen, & Qian, 2017).

Data (Financial Services Authority, 2020) in August 2020 the number of fintech *lending* in Indonesia was 157 companies with 33 licensed companies and 124 registered companies. In August 2020, the total people/business entities that applied for financing through *fintech lending* reached 27,379,996 people, an increase of 113.37% yoy and the total people/business entities that provided financing through *fintech lending* reached 669,580 people, an increase of 26.24% yoy. And the total accumulation of financing distribution through *fintech lending* is Rp. 121.87 trillion, up 122.74% yoy.

The development of the industry of *fintech* sharia financing *peer to peer lending* sharia itself is also growing. It is recorded that as of May 2021 the number of *peer to peer lending* sharia in Indonesia is 9 units, with total assets of 121 billion rupiah (Financial Services Authority, 2021). This development is indeed quite encouraging, according to *Islamic Finance News (IFN)* number of records, the *fintech* Islamic in Indonesia ranks fourth after the UK, Malaysia, and the United Arab Emirates (Ihram, 2020).

Milne & Parboteeah, 2016 stated that one of the reasons for the high growth of *peer to peer lending* is because the *peer to peer lending system*

provides broad access to credit. *Since the* onset of the global financial crisis, traditional banks and lenders have been reluctant to extend credit to debtors. In addition, for traditional lenders such as banks, extending credit to small businesses is often too expensive, given the small size of the loan. Businesses with small capitalization will get expensive funding, while businesses with large capitalization will find it easier and cheaper to access funding sources. The banking system approach uses risk transfer, where the costs incurred during the process are *funding* transferred to costs *lending*. Unlike the platform of *peer to peer lending*, this system only brings together investors and borrowers. This will cut operational costs so that said *peer to peer lending* is cheaper than banks.

Innovation models, *Fintech* financing, such as *crowdfunding*, *crowdlending* and *peer to peer lending* have also developed in several countries. This financing model can help MSMEs to access financing more easily than conventional credit systems. Zopa became the first company in the world to offer a model *peer to peer lending*, operating in the UK in 2005. Prosper followed suit with the launch of their service in 2006 in America, followed by LendingClub and others. In the West, users were attracted to the concept of *peer to peer lending* due to the impact of the 2008 financial crisis. At that time, banks closed new lending and offered interest rates close to 0% to money depositors. Therefore, borrowers must seek alternative sources of funding and active fund owners seek investments with higher yields.

In addition, an example of a company *fintech* financing that is developing and able to have an impact on MSMEs is KIVA. KIVA is a non-profit company founded in Francisco in 2005. Loans submitted through KIVA have spread to 82 countries, the total loans granted through this institution have reached \$945.3 billion since 2005 to date with a total borrower of 2.2 billion business. So that in some countries KIVA is an alternative for their business financing. Several centuries ago China has started to practice the financing model *peer to peer* offline. After e-commerce rose, many *peer lending* platforms emerged and developed rapidly. Shortly, *peer to peer lending market* China is predicted to be bigger than the total market of all other countries.

The research uses data and information related to what factors affect MSMEs in taking business capital financing on qazwa.id. The reason why qazwa.id was chosen because Qazwa is one of the *platforms* that offers *peer to peer (p2p)lending* sharia in Indonesia for MSMEs. Qazwa itself has funded 1919 MSME financing projects with a total disbursed financing of ten billion from 163 MSMEs (PT. Qazwa Mitra Hasanah, 2021). Qazwa is also one of the *Islamic fintech* models *peer to peer lending* in Indonesia.

Qazwa is a sharia institution *peer to peer lending* originating from Indonesia which was founded on March 16, 2018 by three Co-Founders, Dikry Paren, Anggun Puspita, and Dhifa Quratunnada. The background of the establishment of qazwa is to facilitate micro-enterprises to get access to usury-free capital so that their business can develop more. Qazwa was established with the aim of providing an alternative to Islamic financing for micro, small

and medium enterprises who have not yet had easy access to Islamic financing.

Qazwa is a *peer to peer lending platform* sharia that helps MSMEs in seeking funding from investors seeking sharia-based investment opportunities. The nominal financing provided by qazwa can reach 2 billion rupiah and the financing period can be 6 months. Qazwa also offers investors the opportunity to invest in viable MSME projects. Qazwa has fulfilled the registration requirements in the Financial Services Authority Regulation (POJK) number 77/POJK.01/2016 concerning Information Technology-Based Borrowing-Lending Services (LPMUBTI) on 7 August 2019 with number S-440/NB.213/2019 as the system electronics under the name [www.qazwa.id](http://www.qazwa.id). And currently qazwa is taking care of the licensing requirements at the Financial Services Authority (OJK).

## **2. LITERATURE REVIEW**

### **Financing**

Financing broadly means financing or expenditures, namely funding issued to support planned investments, either carried out alone or carried out by others. In a narrow sense, financing is used to define funding made by financial institutions, such as Islamic banks to customers (Muhamad, 2002).

### **Working Capital Financing**

Capital financing is financing that is used for the purpose of increasing production in its operations. Working capital financing can use the principles of mudharabah, salam, murabahah, and qardh (Kasmir, 2008).

### **Micro, Small and Medium Enterprises (MSMEs)**

According to Law Number 20 of 2008, the definition of Micro, Small and Medium Enterprises (MSMEs) is as follows:

- 1) Micro Enterprises: productive businesses owned by individuals and or individual business entities that meet the criteria for Micro Enterprises as regulated in this Law.
- 2) Small Business: a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become a part either directly or indirectly of a medium or large business that has criteria Small Business as referred to in this law.
- 3) Medium Enterprises: productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become a part either directly or indirectly with small businesses or large businesses with total assets. net or annual sales proceeds as regulated in this Law.

Table of Criteria for Micro, Small and Medium Enterprises

NO.	DESCRIPTION OF	ASSET	OMZET
1	Micro Enterprises	Max 50	Max 300
2	Small Business	50	MM300 M – 2.5 M
3	Medium Enterprises	500 M – 10 M	M – 500 M2.5 M – 50 M

*Source: Ministry of Cooperatives and UKM*

The Central Statistics Agency (BPS) provides a definition of UMKM based on the number of laborers. Small businesses are ones that have a workforce of 5 to 19 people, while medium-sized businesses are businesses that have a workforce of 20 to 99 people. **Financial Technology (Fintech)** *Financial Technology (Fintech)* as regulated in Article 1 Number 11

Bank Indonesia Regulation Number 19/12/PBI/2017 concerning the Implementation of Financial Technology that Financial Technology is the use of technology in the financial system that produces new service products, technology, and/or business models and may have an impact on monetary stability, financial system stability, and/or efficiency, smoothness, security, and reliability of the payment system. So it can be interpreted simply that fintech is an innovation in financial services that utilizes information technology. The significant development of Fintech in Indonesia is expected to encourage national economic growth.

*Fintech* has been regulated in the Financial Services Authority Regulation Number 77/POJK.01/2016 which states that information technology-based lending and borrowing services (*fintech*) are the provision of financial services to bring together lenders and loan recipients in order to enter into loan agreements in rupiah currency. directly through an electronic system using the internet network.

In addition, the Indonesian Ulema Council (MUI) through the National Sharia Council (DSN-MUI) has also fatwa related to *issued a fintech* with Number 117/DSN-MUI/II/2018 concerning Information Technology-Based Financing Services Based on Sharia Principles which states that technology-based financing services information based on Islamic principles *fintech sharia* is a financial service holding based on Islamic principles that links or connect financing provider and the recipient of financing in order to carry out financing agreement through an electronic system using the internet network.

### Financing Service

Model The financing model *fintech* based on sharia principles according to the DSN-MUI fatwa Number 117/DSN-MUI/II/2018 can be done with 6 models of financing services. The following is an explanation of the six financing service models in *fintech* sharia:

#### 1) Factoring financing (*factoring*)

Factoring financing, namely financing in the form of receivable collection management services based on *invoices*, either accompanied or without

bailouts (*qardh*) given to business actors who have a bill to a third party (*payor*).

2) Financing the procurement of goods ordered by a third party (*Purchase Order*) Financing for the procurement of goods ordered by a third party (*Purchase Order financing*) is provided to business people who have obtained orders or work orders for procurement of goods from third parties.

3) Financing for procurement of goods for business actors that run online (*Online Seller*) Financing for procurement of goods for businesses that run online (*Online Seller*) is financing provided to business actors who carry out online buying and selling transactions at information technology-based trading service providers (*e-commerce platform/marketplace*) that has collaborated with the organizers.

4) The financing procurement for businesses that sell online with payment by the organizers of *the payment gateway*. Financing the procurement of goods for businesses that sell online with payment by the organizers of *the payment gateway* is financing provided to businesses(*seller*)who actively sell online through distribution *channel* that is managed by itself and the payment is made through an online payment authorization service provider (*payment gateway*) in collaboration with the organizer.

5) Financing for employees (*Employee*)

Financing for employees (*Employee*) is financing provided to employees who need consumptive financing with a pay cut cooperation scheme through the employer's institution.

6) community based financing(*Community Based*)

community-based financing(*Community Based*)is financing provided to community members who need financing, payment schemes are coordinated through a community coordinator or administrator.

### ***Peer to Peer Lending***

*Peer to peer Lending* is a startup that provides *anplatform* financing online. Capital matters are often considered the most vital part for business actors in opening a business, giving birth to the idea of many parties to establish this type of startup (Basuki & Husein, 2018).

## **3. RESEARCH METHODOLOGY**

This research was conducted in March – May 2021. The object of this research are companies that fall into the category of Micro, Small, and Medium Enterprises (MSMEs) that use business capital financing facilities on the qazwa.id website. This type of research uses qualitative research with a descriptive approach. With data collection techniques in research using interviews and questionnaires. This study uses non-probability with *purposive sampling* or sampling is done based on a specific purpose. Analysis of the data in this study using interactive analysis proposed by Miles and Huberman Punch, that this technique consists of three components, namely (Dr. Ulber Silalahi, 2012):

- a) Reduction of data(*data reduction*), which has three stages: the first stage namely editing, grouping and summarizing data, the second stage is compiling notes on various matters relating to the unit of analysis, so that researchers can find data themes and patterns, and the third stage is conceptualizing data themes and patterns. .
- b) Presentation of data (*display*), namely organizing data by interweaving or linking one data group to another, so that all data can be analyzed in a single unit.
- c) Withdrawal or testing conclusions(*drawing and verifying conclusion*), namely the implementation of the principle of inductive taking into account the existing data pattern and or inclination of the display data that has been compiled.

### Data Analysis

In this study, data processing techniques used interactive analysis techniques proposed by Miles and Huberman Punch. The number of respondents to the questionnaire obtained in this study were 10 respondents. In this research the authors identify respondents into two, namely based on gender and age. With the following data:

Identification of the characteristics of respondents based on gender is divided into two, namely male and female respondents. The percentage of respondents can be seen in the below:

Table of Respondents Based on Gender

Gender	Total	Percentage
Male	8	80%
Female	2	20%
Total	10	100%

*Source: Primary data processed, 2021*

From the table, it can be seen that from 10 MSME respondents partner Qazwa, it can be said that the number of male respondents is at most 8 respondents or 80%, and female respondents are 2 respondents or 20%. This shows that there are more male respondents in this study.

Identification of the characteristics of respondents based on age is divided into four, namely respondents aged 21-30 years, respondents aged 31-40 years, respondents aged 41-50 years and respondents aged 50 years and over. The percentage of respondents can be seen in the below:

Table of Percentage of Respondents Based on Age

Age	Total	Percentage
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21 – 30	4	40%
31 – 40	3	30%
41 – 50	2	20%
50 <	1	10%
Total	10	100%

Source: Primary data that processed, 2021

From the table it can be seen that of the 10 respondents of Qazwa's MSME partners, it can be said that the number of respondents aged 21-30 years is 4 respondents or 40%, respondents aged 31-40 years are 3 respondents or 30%, respondents aged 41-50 years that is equal to 2 respondents or 20% and respondents aged 50 years and over that is equal to 1 respondent or 10%. So it can be concluded that the most results in this study were respondents aged 21-30 years with a total of 4 respondents or 40%.

4. DISCUSSION

This descriptive data analysis describes the results of the analysis of the informants by describing the responses of 10 respondents related to the factors that influence MSMEs taking business capital financing in Qazwa. Based on data from interviews that have been conducted where the researchers used methods *qualitative* and *descriptive* approaches. The discussion part of this research will explain, describe, and describe the data that has been obtained by the researchers through *in-depth interviews* conducted to informants. The descriptions of the informants of this research, namely:

1) Pamungkas - 32 years, CV. Sumindo Perkasa

The first line of business the informant ran was the food sector. The informant first applied for financing at qazwa on October 21, 2019. The informant found out about qazwa from the internet, which at that time only appeared sharia model financing *peer to peer lending* . The informant stated that the reason that made him take financing at Qazwa was because of the sharia financing system, according to him, this sharia financing system contains elements of blessing in running his business. During joining, the informant was of the view that qazwa is a company that both builds trust and ideas for small MSMEs so that they can develop. The informant hopes that qazwa will remain consistent with its sharia system because according to the informant, qazwa is one of the companies *peer to peer lending* that is consistent with its sharia system.

2) Jayadi – 45 years old, Toko Sahabat Setia.

The business field that the second informant runs is a basic food shop. This second informant has previously used model financing *peer to peer lending* with other companies. The first time I applied for financing at qazwa on October 21, 2019 and got to know qazwa from Qasir.id, one of the third



partners who had collaborated with qazwa. The informant stated that the reason that made him take financing at qazwa was because the margin factor offered by qazwa was low. The informant is of the view that the current qazwa is good, especially when it comes to reminding the maturity date, by being reminded a few days before the due date and how to remind it in a good and polite manner, not to be abused or constantly terrorized. The hope is that qazwa will develop even more, because according to this informant, qazwa is one of the financial institutions that *supports* MSMEs because they both trust each other.

3) Zubaedah – 56 years old, PT. Delima Prima Rasa

The business field that the third informant runs is food catering. The informant first applied for financing at qazwa on December 9, 2019. The thing that made the informant join qazwa was because the qazwa *business development* team immediately came and offered qazwa financing products to the informant. The informant stated that the reason that made him take financing at Qazwa was because the margin factor offered by qazwa was small so it was considered profitable for the informant's business. During joining, the informant was of the view that qazwa was good in communicating about maturity by reminding them carefully, not being chased or terrorized continuously. The informant hopes that qazwa will develop even more and the national economy can recover quickly in the midst of this pandemic outbreak.

4) Imanto Budi Santoso – 46 years old, Andri's shop

The fourth Informant's line of business is gas and drinking water agent shop. The informant first applied for financing at the qazwa on December 10, 2020. The informant knew and joined the qazwa because of the recommendation of his fellow drinking water and gas agents. The informant stated that the reason that made him take financing at qazwa was because the mudharabah profit-sharing system which was considered mutually beneficial to both parties, both from the informant's business and from the qazwa itself benefited from the profit-sharing system. The informant is of the view that for now the qazwa is good, starting from communicating information to the attitude of the employees. The informant gave advice to qazwa to slightly reduce the value of the margin because there are companies with the same model but the margins are lower than qazwa.

5) Arman Jurais – 25 years old, Layla Frozen Foodengaged in

The fifth business field that the informant is *frozen* food. The informant first applied for financing at qazwa on March 5, 2018. The thing that made the informant join qazwa was because the qazwa *business development* team immediately came and offered qazwa financing products to the informant. The informant stated that the reason that made him take financing at qazwa was because of the easy and fast access to financing applications. The informant is of the view that qazwa is one of the companies

with a model with *peer to peer lending* sharia-based clear, fast and easy access to financing for MSMEs and that makes it very helpful in business capital. The informant gave advice to the qazwa to further increase the value of the ceiling.

6) Tuslam – 29 years old, CV. Salam Food

The informant's sixth line of business is suppliers and distributors of vegetables, meat and dry goods. The informant first applied for financing at qazwa on November 28, 2019. The thing that made the informant join qazwa was because the qazwa *business development* team immediately came and offered qazwa financing products to informants. The informant stated that the reason that made him take financing at qazwa was because it used a sharia financing system which according to the informant was very fair to his business, qazwa and the financiers themselves. The informant is of the view that qazwa is one of the finance companies that is very committed to helping grow MSMEs, whether initially small MSMEs or MSMEs that are already large. The informant hopes that qazwa will remain with its commitment, namely with sharia-based financing and provide financing benefits to MSMEs throughout Indonesia.

7) Baharo – 39 years old, Toko Parma

This seventh informant's business field is a drinking water agent shop. The informant first applied for financing at qazwa on January 6, 2020. The informant learned with qazwa from a friend of a fellow water and gas agent, according to the informant, his friend recommended him to take venture capital financing at qazwa. The informant stated that the reason that made him take financing at qazwa was because the margin was considered low, which was certainly very profitable for his business engaged in goods. During the partnership with the qazwa, the informant assessed that for now the qazwa was good, especially in reminding the maturity by reminding carefully and if there were obstacles to meeting payments, they were well discussed and assisted in finding solutions. The informant hopes that qazwa will continue to exist and develop better and continue to maintain its existence as a sharia financing company *peer to peer lending*.

8) Debrina Puspitarini – 27 years old, Eatever (PT. Teknologi Kuliner Indonesia)

The eighth business field of the informant is food catering. The informant first applied for financing at qazwa on November 18, 2019. The thing that made the informant join qazwa was because the qazwa *business development* team immediately came and offered qazwa financing products to informants. The informant stated that the reason why he took financing at qazwa was because filing at qazwa was easy and fast so it didn't take long for the submission process to take place. During joining the qazwa, the informant was of the view that the qazwa's communication was clear and easy to understand, the application for financing was easy and fast coupled with *admin*

*user* a very friendly and polite. The informant hopes that qazwa will develop better and reach MSME actors throughout Indonesia.

9) Samsudin – 39 years old, PT. Griya Prima Investama

The informant's ninth business field is as a property contractor. The informant first applied for financing at qazwa on January 14, 2021 at the end. The thing that made the informants join qazwa was because the qazwa *business development* team immediately came and offered qazwa financing products to informants. The informant stated that the reason that made him take financing at qazwa was because the system in the financing contract used sharia contracts, namely mudharabah contracts and murabahah contracts. Informants are of the view that qazwa is a financing system that clearly uses sharia and access to submissions is very easy, especially for MSMEs who want their business to develop in the future. The informant gave advice to qazwa to further expand its financing network throughout Indonesia and even abroad.

10) Andi Ricki Rosali – 28 years old, Saung Ayam

The informant's last line of business is chicken meat trading. The informant first applied for financing at qazwa on January 31, 2020. The thing that made the informant join qazwa was because the qazwa *business development* team immediately came and products offered qazwa financing to the informant. The informant stated that the reason why he took financing at Qazwa was because the application was easy and fast. The informant believes that the company qazwamodels *peer to peer lending* suitable for small SMEs climate in order to further expand again coupled communication with *user admin* the *user*. The informant hopes that qazwa will continue to grow and develop into the model company *peer to peer lending* best sharia in Indonesia.

### Descriptive Analysis

*Fintech* provides the latest online-based services to help us process financial transactions quickly, easily, and efficiently. With a modern and practical system, fintech is here not only for payments, they also include *peer to peer lending*, *digital insurance*, *virtual money*, *crowdfunding* and so on. This is what Micro, Small and Medium Enterprises (MSMEs) take advantage of in developing their businesses. MSME actors who have limited capital are so difficult to get access to financing from banks because they are incompetent to provide requirements *bankable*, so MSME actors prefer to take alternatives in financing venture capital to companies *peer to peer lending* and *peer to peer lending* sharia. One of the companies *peer to peer lending* sharia chosen by MSME actors is Qazwa.id.

In the results of interviews conducted some time ago to 10 respondents from Micro, Small, and Medium Enterprises (MSMEs) who took financing at qazwa stated that:

- a) 4 of the 10 majority respondents reasoned that they took financing at qazwa because of the system factor used. qazwa is a sharia financing system.
- b) 3 out of 10 respondents reasoned that they took financing at qazwa because the margin factor or profit sharing offered by qazwa was low.
- c) 3 of the remaining 10 respondents reasoned that access to financing submissions to qazwa was easy and fast.

Qazwa uses a sharia financing system with mudharabah and murabahah contract schemes. The term margin or profit sharing in qazwa is known as the *cost of fund*, in the future MSME actors will be charged with two *charges*, the first is the qazwa fee and the second is margin for investors with a percentage of 0.2813% to 1% per week. This is in accordance with the promotional strategy carried out by qazwa, namely promoting that qazwa is *fintech* financing *peer to peer lending* a sharia-based with mudharabah and murabahah contracts with fairly low margins.

The submission process at qazwa is fairly easy and fast, there are 5 stages for MSME actors who want to apply for financing at qazwa. The 5 stages are:

1) Registration

In this flow, business actors or recipients of financing open the official qazwa website at <https://qazwa.id> and register on *the platform* qazwa. By completing personal identification data and supporting business data, MSME actors will be able to apply for more than one financing as long as it does not exceed the nominal amount of current financing of two billion rupiah and as long as the application for financing is categorized as current. Registration can be done by completing the following data:

Personal Data:

- (a) Full Name
- (b) Mobile Number
- (c) Home Address
- (d) ID/KTP
- Number (e) NPWP Number
- (f) Account Number (according to personal or business identity)
- (g) Name of Bank
- (h) Heirs (to be confirmed first) Business Data:
  - (a) Name of Business
  - (b) Description of Business
  - (c) Address of Business
  - (d) Line of Business
  - (e) Length of Establishment
  - (f) Total Submission Funds
  - (g) Allocation of Submission Funds
  - (h) Business Supporting Legal Documents
  - (i) Financial Statements

(j) Proof of Transactions

(k) Social Media

In addition to these points, if the qazwa requires additional data regarding the business or financing application, the qazwa will contact the potential recipient of financing to request additional data.

2) Assessment

At this stage, the qazwa assessor will study all the data provided by the prospective financing recipient. In general, this assessment will determine whether the financing proposed by the prospective recipient of this financing is eligible to be published on the *platform* qazwaas one of the MSMEs that are eligible to be funded.

3) Offer

After the prospective financing recipient has passed a series of assessments and is approved by the credit committee for publication, the relevant team will send a cooperation offer document resulting from the assessment of the financing application.

4) Business publication

After the prospective financing recipient has approved the offer from the organizer, the admin team will publish a *campaign* financing for the business actor. If in the publication process and it turns out that the funds are *not fully funded* from the collection target until the specified time limit, the relevant team will confirm to the prospective recipient of the financing, regarding the conditions that occur. The qazwa team will provide two options, namely extending the publication period of the *campaign* financing and canceling the *campaign* financing.

5) Disbursement

After the target fund from the *campaign* is met, the next process is disbursement or *disbursement* to the recipient of the financing. The qazwa admin team will notify the prospective financing recipient that the fundraising has been completed and the prospective financing recipient can directly download the financing contract to be signed. Once signed, the prospective financing recipient must *upload* re-the financing contract document on the qazwa system. Disbursement of funds can be done when the prospective recipient of financing has signed the financing contract and *uploaded* it to the qazwa system.

## 1. CONCLUSION

This study analyzes what factors can influence MSME actors to take business capital financing at the *peer to peer lending* Islamic institution Qazwai.d. Based on the results of the analysis in the previous chapter, it can be concluded that the results of the research conducted on 10 respondents indicated that there were three reasons for MSME actors to take venture capital financing at qazwa, namely:

a. Sharia system factors

b. Margin factor

c. Access factors for easy and fast submissions

As for the three factors that make MSMEs take business capital financing at qazwa. The following is the author grouping the respondents based on the factors that influence them:

- a. 4 out of 10 or 40 percent of the majority of respondents stated that the factor that made them take business capital financing at qazwa on the grounds that the system factor used by qazwa was the sharia system.
- b. 3 out of 10 or 30 percent of respondents stated that the factor that made them take business capital financing at qazwa was the margin factor.
- c. 3 out of 10 or 30 percent of the remaining respondents stated that the factors that made them take business capital financing at qazwa were the reasons for easy and fast access to submissions.

Qazwa itself uses the financing of the sharia system by using a financing scheme from the mudharabah and murabahah contracts. The term margin in qazwa is called the *cost of funds*, which will later be by MSME actors *charged*, namely in the form of qazwa fees and investor margins. And later MSMEs will be charged a fee of 0.2813% to 1% per week of the total submission. The submission process at qazwa itself is easy and fast, there are five stages for MSME actors who want to apply for financing at qazwa.

For this reason, it can be concluded that the factor that greatly influences the perpetrators of Micro, Small and Medium Enterprises (MSMEs) to take business capital financing in qazwa is the sharia factor with the majority of 40 percent of respondents choosing it. For this reason, the author concludes that the majority of MSME actors who take venture capital financing in qazwa want sharia financing that is fair and just.

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