**ANALYSIS OF FACTORS AFFECTING THE IMPLEMENTATION OF FINANCIAL ACCOUNTING STANDARDS FOR MICRO, SMALL AND MEDIUM ENTITIES (SAK-EMKM) ON BATIK MSMEs IN PEKALONGAN REGENCY**

**Naila Hanum, Erni Unggul Sedya Utami**

**Politeknik Harapan Bersama**

nailahanum27@gmail.com

**ABSTRACT**

Micro, Small, and Medium Enterprises (MSMEs) is a sector that contributes significantly in recovering the economic recession due to the Covid-19 pandemic. In empowering MSMEs, the government develops the concept of the signature product. One of Indonesia's top signature products is batik. Pekalongan is known as the "Batik City" which has great potential in batik businesses and now they have grown economically. The potential of increased transactions because of the technology utilization is also an opportunity for business to optimize their financial reporting in order to obtain higher equity. Through simplification of Small and Medium Entity Financial Accounting Standards (SAK EMKM) that were published by IAI, this study aims to identify several factors on the implementation of EMKM Financial Accounting Standards. Determinants of Education, Motivation, Owners' Perception of Business, and Socialization Accounting Standard were tested for their level of influence on the Implementation of SAK EMKM. The results showed that the Owner's Education and Motivation did not have a positive effect on the implementation of SAK EMKM so that they were not the factors in the implementation of SAK EMKM. While the Owner's Perception of Business and the Socialization Accounting Standard have a positive effect on the implementation of SAK EMKM so that both of them are the factors in the implementation of SAK EMKM of MSMEs Batik Pekalongan.

*Keywords: Sak Emkm Implementation; Socialization Accounting Standard; Msme Of Batik Pekalongan*