



**ABSTRACT:** The Indonesian government has pushed for the development of a digital economy as one of the country's critical economic transformation strategies. The digital economy can broaden the country's market reach while maintaining competitiveness. However, to achieve the digital economy, digital transformation must occur, as it is one of the digital economy's enablers. As a result, the government has been working on accelerating national digital transformation. MSMEs are known to be the engine of the Indonesian economy. Therefore, this study aims to assess Indonesian MSMEs' digital maturity level to evaluate Indonesian MSMEs' readiness for digital transformation using the MSME Digital Maturity Framework. A descriptive analysis is carried out from the 2020 Indonesia Financial Inclusion Insight (FII) survey. The results of this study found that a significant proportion of MSMEs personally own a cell phone compared to sharing a cell phone and do not see any reasons not to have a cell phone and rarely experience phone problems. In addition, a significant proportion of MSMEs prefer not to use electronic money as a payment method for e-commerce; thus, they prefer to use cash transactions as a payment method. Along with that, many MSMEs do not use conventional financing or online lending or do not carry out transactions on e-commerce.

*Keywords:* MSMEs, digital transformation, digital maturity, digital maturity assessment.