Implementation of Halal Certification as an Effort to Protect Consumers and UMKM

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Abstract

There are still products in the process of issuing halal certificates, even though numerous goods circulating in society promise halalness until 2024. Consequently, comprehensive provisions are required to cover goods and services. This follows the regulations explicitly regulated in Law Number 6 of 2023, Law Number 33 of 2014, and Article 4 of Law Number 8 of 1999 about consumer protection. This writing employs normative juridical legal and field research methods to observe and collect data from real-world societal situations to obtain the necessary facts. The study’s findings show that the halal certification program has been effectively implemented in Indonesia’s national legal framework, as outlined in Law Number 6 of 2023, Law Number 33 of 2014 concerning Halal Guarantee Products, and Law Number 8 of 1999 concerning Consumer Protection. The government’s efforts to enhance the halal certification program are demonstrated by the self-declare program and halal certification assistance in socialization and data collection for halal certification registration,
facilitating business actors to obtain halal certificates that enhance consumer comfort.

**Keywords:** Implementation, Halal Certification, Consumers, UMKM

1. **Introduction**

Indonesia places a high value on the freedom of religion and worship for all its citizens. The 1945 Constitution, Article 29, paragraph 2, enshrines this principle: “The State guarantees every resident the ability to practice their religion and worship according to their religious beliefs.” The selection of halal products is a significant obligation for Muslims that is worthy of worship. The Muslim community is entitled to protection and the assurance of halal products,¹ which is the government’s responsibility. Individuals who ingest or utilize halal products may experience a sense of tranquillity due to their assurance of legitimacy.

In English, the term “consumer” is “consumer,” while in Dutch, it is “consumer.” A consumer is “a person or company who purchases specific goods or services” or “something or someone who utilizes a supply or several goods.”² A consumer is defined as any individual who utilizes products and services available in society, whether for personal, family, or other living creatures not intended for trade, as outlined in Article 1 number 2 of Law Number 8 of 1999 concerning Consumer Protection. A halal assurance from the business actor is a critical part of the product-use process for Muslim consumers. This is closely associated with their religious convictions to consume and use halal products exclusively.

Article 8 of the Consumer Protection Law (UUPK) regulates the protection of Muslim consumers concerning the halalness of a product. According to Article 8, paragraph 1, letter H of the UUPK, business actors are prohibited from producing commodities and services that do not adhere to the halal production provisions as specified on the label’s halal statement. It is crucial to exercise

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caution when it comes to the culinary products that are available on the market. This encompasses the medical health aspects of food composition and the assurance that the food is halal and wholesome. Muslims endeavor to maintain a harmonious equilibrium between their religious beliefs and their daily routines, refraining from engaging in activities that violate Islamic regulations. Human life is regulated by Islamic law to attain prosperity and blessings.

Accordingly, the conduct of business actors or producers in the process of attaching halal labels to products is of paramount importance. The Ministry of Health initiated initiatives to provide halal labels for food products in Indonesia at the end of 1976, before the establishment of halal certification by the Indonesian Ulema Council (MUI) in 1989. As per the Decree of the Minister of Health of the Republic of Indonesia, Number 280/Men.Kes/Per/XI/76 concerning Provisions for Distribution and Marking on Food Containing Ingredients Derived from Pigs, all food and drinks containing pork or its derivatives must be labeled “Contains Pig” as of November 10, 1976. The label was subsequently altered to “Halal” on August 12, 1985, due to the Joint Decree of the Minister of Health and Religion No.42/Men.Kes/SKB/VIII/1985 and No. 68 of 1985 concerning the Inclusion of Halal Writing on Food Labels. Labels may be implemented after the manufacturer submits the product’s material composition and processing method to the Department of Health. The signing of a Cooperation Charter on June 21, 1996, marked the commencement of policy synchronization between the Ministry of Religion, the Ministry of Health, and the MUI concerning incorporating the halal logo on food. Decree no. The Ministry of Health issued 924/Menkes/SK/VIII/1996 to amend Decree No. 82/Menkes/SK/I/1996. Previously, the halal label was granted solely based on the

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company’s information regarding the constituents’ composition. Nevertheless, the labeling flow was modified following the publication of Decree Number 924/Menkes/SK/VIII/1996. A company must first obtain certification from the Directorate General of Drug and Food Control (Dirjen POM) per a fatwa issued by the MUI Fatwa Commission to apply a halal label to its products.

Once the product has been certified and declared to contain non-halal ingredients, MUI will issue a halal certification. MUI solely provides the exclusive MUI halal logo and the halal certification number. The implementation of halal logo design regulations provides BPOM RI with the opportunity to obtain halal certification at the time of execution. In 2000, the Directorate General of Mines and Energy (DGM) was reorganized as the Bureau of Mines and Energy (BPOM). Consequently, the BPOM was responsible for regulating the minerals industry. To implement this requirement, the Ministry of Religion (MoR) issued Decrees 518 and 519 of 2001, which designate MUI as a halal certification body that conducts the assessment, certification, and certification of halal products. Collaboration with BPOM is implemented to ensure the production of a halal logo. Subsequently, the BPJPH, a representative government body under the Ministry of Religion, was informed of any significant changes in the halal certification process in Indonesia. This transition has also been influenced by several changes in the certification process and the individuals involved. The government, business leaders, and the public are increasingly collaborating to develop the production sector, thereby enabling the production of halal products in Indonesia to be more efficient.

The government’s policy on the manufacture of halal products is outlined in three laws: Law No. 33 of 2014, Law No. 6 of 2023, and Law No. 2 of 2022. Several provisions in Law Number 33 of 2014 have been amended through Law Number 6 of 2023 concerning the Determination of Government Regulation instead of Law Number 2 of 2022 concerning Job Creation as Law, particularly in Article 4A, which states, “For Micro and Small Business Actors, the obligation to obtain halal certification as referred to in Article 4 is based on the statement of Micro and Small Business Actors.” Furthermore, according to Article 67 of the Halal Product Manufacturing Law, it is mandated that products manufactured and distributed in Indonesia must obtain halal certification within five (5) years from the date of this law’s implementation, as specified in Article 4. As a
result, the manufacturing process of the halal product took place on October 17, 2019, in compliance with the provisions of Law No. 33 of 2014 on Halal Product Manufacturing (JPH). However, the provision has been changed again following Article 140 of the Government Regulation of the Republic of Indonesia Number 39 of 2021 concerning the Implementation of the Halal Product Guarantee Field, which states that “The phased obligation of halal certification for food products, beverages, slaughter products, and slaughter services as referred to in Article 139 paragraph (2) letters a and c, begins on October 17, 2019, and ends on October 17, 2024.”. Nevertheless, the latest update from the Minister of Economic Affairs, Airlangga Hartarto, suggests that the compulsory certification for micro, small, and medium enterprises (UMKM) in the food, beverage, and other industries will be postponed until 2026.

This applies to traditional herbal remedies, cosmetics, and other health products. This decision has sparked a significant controversy regarding the role of the business owner, the security of human life (SDM), particularly the auditor, and the halal certification process. At present, the Badan Penyelenggara Jaminan Produk Halal (BPJPH) has not adequately provided the necessary infrastructure and infrastructure to conduct Undang-Undang Jaminan Produk Halal (JPH) activities, including auditor halal, halal inspection agency (LPH), standards, halal tariff certification, registration system, halal/non-halal product labeling or logos, and equipment and infrastructure. The certification body that has recently been established has issued a halal certification for the registered UMKM product. According to data from 2023, the number of individuals pursuing a halal certification in the East is at the third highest level, with 18,827, and the first highest level in the West, with 23,186. Halal certification is the assurance of the purity of a product that BPJPH issues following the formal declaration issued by the Indonesian Supreme Court.

Halal product certification is a process that business entities, whether individuals or organizations, must complete to obtain halal certification. The halal certification process involves several inspections to

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9 Republic of Indonesia.
ensure that a company’s raw materials, production process, and product supply chain follow LPPOM MUI’s standards.\textsuperscript{12}

Certification is achieved through testing conducted by the halal product manufacturer, which subsequently determines the product’s halal status. The manufacturer may obtain a halal certification if the halal performance is satisfactory. The manufacturer subsequently utilizes the halal certification as a guarantee to confirm the halal label and registration number during the product’s production. By 2024, there will be a significant number of products in the market that have already been certified as Halal, even though there are still products that are undergoing the Halal certification process. Consequently, a comprehensive regulation that encompasses both goods and services is required. This is following the requirement specified in the special provisions of Law No. 6 of 2023, Law No. 33 of 2014, and Provision 4 of Law No. 8 of 1999, which pertain to consumer protection.

The establishment of UUPJH and UUPK is one of how the nation safeguards its Muslim consumers, particularly within Indonesia. This follows Article 29 of the Universal Declaration of Human Rights (1945), which stipulates that the country must guarantee all individuals’ freedom of religion and conscience. The state must ensure that every member of the religious community can worship and carry out their religious obligations, so the state must provide guarantees and protection related to the safety of products consumed and used by the community, especially the Muslim community.

2. Literature Review

In this study, researchers refer to theses and journals by distinguishing what the focus of the problems that researchers discuss, including research conducted by Ihda Fahmi with the title ‘Effectiveness of Halal Product Certification Assistance Self Declare Program in Banyumas Regency (Study at Halal Center Uin Prof. K.H. Saifuddin Zuhri Purwokerto)’. Is a thesis student of UIN Prof. K.H. Saifuddin Zuhri Purwokerto. This study discusses the assistance provided by the Halal Product Process Assistance of UIN Prof. K.H. Saifuddin Zuhri Purwokerto to micro and small businesses in the Banyumas Regency. Analyzing the Halal Product Process Assistance of UIN Prof. K.H. Saifuddin Zuhri

\textsuperscript{12} LPPOM MUI, “General Guidelines for the Halal Assurance System of LPPOM MUI” (Jakarta, 2008).
Purwokerto can increase the halal awareness of micro and small enterprises in Banyumas Regency regarding halal certification and analysis of the existence of the Halal Product Process Assistance of UIN Prof. K.H. Saifuddin Zuhri Purwokerto can increase the quantity and quality of halal certification in micro and small businesses in Banyumas Regency.¹³

Research conducted by Atikah Ramadhani with the title ‘Implementation of Halal Certification Obligations on Umkm Food and Beverage Products in Beji Depok District Study of the Implementation of Law Number 33 of 2014 concerning Halal Product Guarantee’ This thesis research discusses the results of analyzing the implementation of Law Number 33 of 2014 concerning Halal Product Guarantee on halal certification obligations for MSME food and beverage products in Beji Depok District. And examine the role of the Depok City Cooperative and Micro Business Office in implementing halal certification obligations for MSME products in Beji Depok District.¹⁴

Research conducted by Vita Dwi Sakundiana and Irna Nurhayati with the title ‘The Effectiveness of Halal Product Guarantee Regulations in the Implementation of Halal Certification for Micro and Small Enterprises after the Promulgation of the Job Creation Law in Yogyakarta Special Region. This research is a thesis discussing the results of comprehensively analyzing the effectiveness of the Halal Product Guarantee, the rules for fulfilling halal certification requirements of MSE operators after the implementation of UUCK in Yogyakarta, and the study and description of the factors promoting and hindering its implementation. This research uses a combination of normative juridical and empirical juridical research approaches.¹⁵ The similarity between this research and what is done by researchers is that both discuss the application of government regulations regarding halal certification.

Research conducted by Debbi Nukeria titled ‘Implementation of Halal Certification on Food Products in Bengkulu City’ is a postgraduate Islamic Law

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IAN in the Bengkulu journal. This study discusses the results of analyzing the implementation of halal certification, identifying supporting and inhibiting factors, and exploring and finding the role of LPPOM MUI Bengkulu Province in fostering awareness of consumers and food producers toward halal certification in Bengkulu City. This type of research is field research using a sociological juridical approach, namely examining the applicable legal provisions and what happens in reality in the field.16

Research conducted by Fajaruddin with the title ‘The Effectiveness of Law Number 33 of 2014 concerning Halal Product Guarantee in Consumer Protection’ is a scientific journal of legal science, Faculty of Law, UMSU. This study discusses the effectiveness of halal certification regulations in Halal label violations, which are mistakes businesses make against including halal labels in issuing products and services. Law 33 of 2014 concerning Halal Product Guarantee is a legal improvement that previously regulated the need for halal fusion.17

3. Result and Discussion
The practice of Halal Certification Implementation in Indonesia Related to Law Number 6 of 2023 and Law Number 33 of 2014 concerning Halal Guarantee Products

The Indonesian legal system is a complex and broad framework of rules consisting of various legal elements that are interconnected, influenced, and complemented. The discussion of one branch, component, or subsystem of law applicable in Indonesia cannot be separated from the others, similar to the relationship between organs in the human body, which are interrelated and inseparable.18 The government is still trying to encourage Indonesia to become a producer of halal products, one of which is through the creation of regulations such as Law Number 33 of 2014 concerning Halal Product Guarantee. Some of its provisions concerning Job Creation have been amended by Law Number 6 of 2023. One of the impacts of this Halal Product Guarantee Act is the change in the

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The character of halal certification has transitioned from being voluntarily adopted by business actors to being mandatory halal certification, even for MSME players. Regulations regarding halal products are comprehensively regulated in the Halal Product Guarantee Act (JPH Law). In general, the JPH Law is divided into several chapters: General Provisions, halal product guarantee organizers, halal production materials and processes, manufacturers, acquisition procedures for halal certificates, international cooperation, control, criminal provisions, and transitional provisions.

Law Number 33 of 2014 includes changes to the first chapter in Article 4, which becomes Article 4A. The second chapter includes the explanation of Article 7, the provisions of Article 10, the provisions of Article 13, the provisions of Article 14, and the provisions of Article 16. The third chapter includes changes to the provisions of Article 22. The fourth chapter includes changes to Article 27 and the provisions of Article 28. The fifth chapter modifies the provisions of Articles 29-35, 40-42, and 44. The sixth chapter has only the provisions of Article 48. The eighth chapter has amended provisions in Article 53 and Article 55. The last change in the ninth chapter is in the provisions of Article 56.

Article 1(1) defines “product” as goods and services related to food, beverages, pharmaceuticals, cosmetics, chemical products, biological products, genetically modified products, and general consumer goods. Furthermore, Article 1 paragraph (5) states that “Halal Product Guarantee,” or JPH is a legal certainty regarding the halalness of a product as evidenced by a Halal certificate. Professionalism In contrast, Article 3 of the Halal Product Guarantee Act states that implementing the Halal Product Guarantee must provide public access to Halal products. It is stipulated that the aim is to provide convenience, security, and certainty about the possibility and added value of production and increase it. One of the critical features of the Halal Product Guarantee Law is the regulation of halal certification for products marketed in the territory of Indonesia, as stated in Article 4, which was later amended in Article 4a of Law Number 6 of 2023 concerning Job Creation. According to Article 1 number 10 of Law Number 33 of 2014 concerning Halal Product Guarantee, a halal certificate acknowledges the halalness of a product issued by BPJPH based on a written fatwa from MUI. Halal certification is obtaining such a certificate by meeting LPPOM MUI standards. At a practical level, businesses use the halal label after receiving a halal certificate. This label is included in the product packaging and
serves as information to consumers regarding the halalness of the product. The halal label indicates that the product has met halal standards.

Before the Halal Product Guarantee (JPH) Law was issued, the Indonesian Ulama Council (MUI) carried out halal certification, and the Food and Drug Administration (BPOM) handled halal labeling. After the JPH Law was enacted, BPJPH became the authoritative institution for halal certification, while LPPOM MUI acted as a Halal Examining Agency (LPH) under BPJPH. Halal certificates issued before the Halal Product Guarantee Act remain valid, and businesses must comply with regulations following the Halal Product Guarantee Act. Halal Product Guarantee (BPJPH), Halal Examining Institution (LPH), and Indonesian Ulama Council (MUI), BPJPH is responsible for managing halal product guarantees, while LPH checks documents, schedules audits, conducts audits, organizes auditor meetings, issues audit notes, and submits check results at MUI Fatwa Commission meetings. Through the MUI Fatwa Commission, determine based on the results of the halal review of the product and issue the MUI Halal Decree. Details regarding the stages of the halal certification process can be found in the figure below.

Before halal registration, businesses must implement the Halal Assurance System (SJH) following government regulations and complete the documents BPJPH requires. Furthermore, the company can choose LPH for product halal inspection.\textsuperscript{19} Law Number 33 of 2014 concerning Halal Guarantee thoroughly regulates all aspects of processes, procedures, institutional structures, and criminal liability, updated for the better in Law Number 6 of 2023 concerning Job Creation. In its application in Indonesia, the Halal Product Guarantee serves as a protection for Muslim consumers. This emerged in response to the development of halal product certification, which cannot be separated from the increasing awareness of Muslims about the importance of consuming halal products.

**Halal Labeling and Consumer Protection**

Food labeling is any information contained in food about the food, consisting of pictures, text, or a combination of both, or in any other form, placed inside, attached to, or becoming part of food packaging, as stipulated in Article 1 point

\textsuperscript{19} Tri Cahyanto, “Practical Guide to Submitting Halal Certification for the Self Declare Path” (UIN Sunan Gunung Djati Bandung, 2023).
3 of Government Regulation No. 69/1999. Normatively empirically, food labels and advertisements have several functions: first, as a source of information. Food labels and advertisements provide information about food because consumers cannot always meet entrepreneurs directly. Nevertheless, business actors must ensure that labels and advertisements do not only aim to lure or persuade consumers to buy their products but also convey correct, transparent, and honest information to consumers, including information on the hygienic and halal aspects of the product (Article 4 of Law No. 8/1999 on Consumer Protection).

Article 11 paragraph 1 of Government Regulation No. 9/1999 emphasizes that any person who produces or imports packaged food for sale in Indonesian territory must be pre-inspected by an accredited inspection agency or according to applicable laws and regulations. The elucidation related to Article 11, paragraph 1 states that adding the halal text is optional. However, suppose a person who produces and imports food into the territory of Indonesia for trade declares his product as a halal product. In that case, he must include halal provisions on the product label.

Article 8 paragraph 1 letter h of Law Number 8 of 1999 concerning Consumer Protection emphasizes that "Business actors are prohibited from producing and services that do not follow the provisions of halal production, as stated in the 'halal' statement included on the label." Normatively, legal regulations governing halal certification for processed food products are recognized in the three favorable laws mentioned above. However, juridically, halal writing is voluntary, so Indonesia has no positive legal regulation that requires processed food producers to include halal (or haram) labels on each product.

Mandatory halal (or haram) certification can reduce the doubts felt by Muslims and provide a sense of confidence that the food they consume is safe from a religious perspective (spiritual safety). This gives consumers a sense of peace and trust that they adhere to their religious teachings when choosing

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Implementation of Halal Certification ...

halal food and beverages that follow their beliefs. In addition to providing protection, the sustainability of halal status also offers significant benefits. It not only encourages competition between producers but also creates a market advantage. As a city with a majority Muslim population, ensuring halal food and beverage products can be an effective strategy to support economic growth and consumer satisfaction.

**Halal Product Process Assistance**

In 2021, the Ministry of Religious Affairs of the Republic of Indonesia, through the Halal Product Guarantee Agency (BPJPH) through Government Regulation Number 39 of 2021 concerning the Implementation of the Halal Product Guarantee Field, stated that it provides accessible facilities for micro and small businesses to apply for halal certification through a *self-declaration* scheme. This scheme allows businesses to obtain halal certificates for their products by simply declaring the halalness that has been fulfilled for each ingredient used in their products. This provision applies to micro and small businesses active in productive companies whose net assets or annual sales results comply with applicable laws and regulations. Statements made by micro and small businesses must follow the halal standards set by BPJPH. The minimum halal standard includes a statement from business actors containing a contract or pledge regarding the halalness of the product, the ingredients used, the halal production process (PPH), and PPH assistance. The criteria for business actors using this *self-declare* are low-risk products, the materials used are confident of their halalness, and the production process is confirmed halal and straightforward.23

The *self-declared* program provided by the government is a government service for micro and small businesses in the halal product certification process.24 Therefore, the Regulation of the Minister of Religion of the Republic of Indonesia Number 20 of 2021 concerning Halal Certification for Micro and Small Business

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Actors was issued. The regulation’s mandate is that the halal product process assistance (PPPH) for micro and small businesses can be carried out by assistants who have been certified and obtained a certificate of competence for assistants from BPJPH. The main task of the PPH assistant is to verify and validate the halal statement submitted by the business actor. After the MSME actor self-declares and meets these criteria, the next step is verifying and validating the statement by the halal product process assistant (PPH Assistant). PPH assistance can be provided by Islamic social organizations or religious institutions, universities, government agencies, or commercial entities if they are partners of Islamic social organizations or Islamic religious institutions and universities. If the self-declaration meets the requirements, the verification and validation results from the PPH Facilitator will be forwarded to BPJPH. BPJPH will accept the statement of business actors, which will then be submitted to MUI for a halal fatwa hearing. The MUI halal fatwa hearing will decide whether the product is halal. If it is considered halal, BPJPH will issue a halal certificate.

Halal certification assistants in Semarang City, Central Java, explain the term halal certification specifically for Micro and Small Enterprises (MSEs), which is known as self-declare halal certification. Self-declare halal certification offers lower costs and a more straightforward processing process than regular certification. Self-declare halal certificates are designed to make micro and small businesses more accessible. Self-declare is a halal certification pathway where businesses declare the halalness of their products. The main difference between self-declare and regular scheme halal certification is that the regular scheme involves testing the halalness of the product by the Examining Agency. Until now, many halal certification assisting institutions have been officially recorded as having successfully issued halal certificates to registered MSME products. Based on the data in 2022, the issuance of halal certificates in Central Java is in third place with 18,827 and first place in East Java with 23,186.

Business actors who apply for regular halal certification are charged a fee of IDR 650 thousand, which includes registration fees and inspection of product

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Implementation of Halal Certification ... halalness by the Halal Examining Agency (LPH). The self-declaration halal certification process does not require a fee but does not mean any cost. This is due to the Sehati program (free halal certification) for Micro and Small Enterprises (MSEs), the financing of which has been allocated from various sources such as the APBN, APBD, partnership funds, grants, and other legal sources of funds, with a non-binding value of IDR 300 thousand. The determination of this nominal refers to the Regulation of the Minister of Finance of the Republic of Indonesia number 57 / pmk.05 / 2021 concerning Service Tariffs for the General servicer agent of the Halal Product Guarantee Agency of the Ministry of Religion.

Towards 2026, it is very important to optimally utilize the halal certification registry to accelerate halal certification for all products circulating in Indonesia, especially in the food and beverage sector, which must have halal certification. The first step is intensive socialization, especially for small, micro, and medium-scale business actors (MSMEs). Literacy efforts need to be increased, especially for MSME players, so that they understand that halal certification can improve and strengthen their business growth. The government must immediately complete the still incomplete tools and increase the number of Halal Examining Institutions (LPH) and Halal auditors to facilitate the Halal certification process. The synergy between the government, business actors, and the community is needed to ensure halal assurance of products in circulation. Business actors must also actively implement halal product assurance and prepare the necessary documents to obtain halal certification early on.

4. Conclusion

The implementation of halal certification in the national legal system in Indonesia has been well implemented because halal certification is stipulated in Law Number 6 of 2023, Law Number 33 of 2014 concerning Halal Guarantee Products, and Law Number 8 of 1999 concerning Consumer Protection, which is part of the legal system, namely legal substance that has legal force and legal certainty and is imperative. Even though the obligation for halal certification has been established, food and beverage MSME players still do not have halal certificates. The government’s efforts to improve the halal certification program are evidenced by the self-declare program and halal certification assistance in socialization and data collection for halal certification registration to make
it easier for business actors to obtain halal certificates, which help increase consumer convenience.

Reference


Implementation of Halal Certification...