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Indonesia Implementing Halal Assurance System

The private sector in Indonesia has been vocal about their concern for the government's plan to make halal certification mandatory, believing that this requirement will add a greater burden to their business. Amid criticism, the government is moving forward with its halal assurance system, citing, among other reasons, the need for a government agency to be the new halal certification authority to create greater transparency in the existing certification process.

Halal Regulators

Halal certificates can currently be obtained from the Islamic Council (MUI), which is an autonomous organization not belonging to the government. With the introduction of the new Indonesian halal assurance system earlier this year, the Halal Product Assurance Organizing Agency (BPJPH)

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was inaugurated by the Ministry of Religious Affairs on October 11, 2017, to take over the MUI's main halal certification duties and is expected to start operations by 2018.

The BPJPH has the authority to issue and revoke the halal certificate and halal label on products, carry out administration of halal certification of domestic and foreign products, supervise the guarantee of halal products, work with halal inspection agencies (LPH) on product inspection and/or testing, and conduct public relations campaigns to inform the public about halal products.

Once the BPJPH commences operations, the MUI will continue to play a role in the halal certification process by providing religious decrees to determine the halal status of a product. MUI decrees must be submitted to the BPJPH as the basis for the issuance of a halal certificate. Additionally, the MUI will work with the BPJPH in certification of halal auditors and accreditation of LPHs.

Transitional Period

Two draft halal regulations—one covering governmental fees and the other covering implementation and guidelines of the halal assurance system—have been prepared and are being reviewed by the Ministry of Finance and the Ministry of Laws and Human Rights. Until the two laws enter into

force, halal certificates will be issued by the MUI. After the laws take effect, halal certificates that have been issued by the MUI will remain valid until the date indicated on the certificate, with the next renewal of such certificates to be filed with the BPJPH.

Currently, each halal certificate that has been issued by the MUI is valid for two years. Later, upon the transfer to the BPJPH, the validity period of each certificate will be four years with the possibility of renewal.

The Indonesian government has imposed a deadline of October 17, 2019, for all required products to be halal-certified. However, there is a grace period of three years for food and beverage products, and a grace period of five years for cosmetics and drugs. It is important to note that life-saving medicines which have no substitutes are likely to be exempted from the halal-certificate obligation.

Products That Require Halal Certification

Although an exhaustive list is not yet available, the types of products that generally must be halal-certified include food, beverages, medicinal products, cosmetics, chemical products, biological products, and genetically engineered products.

To obtain halal status, both product materials and manufacturing processes will be inspected. Each company must have an in-house supervisor set up a halal assurance system and conduct periodic inspections to maintain the system. Products that contain non-halal substances or are non-halal because of their manufacturing process can still be sold in Indonesia but must be labeled “non-halal.”

Imported Products

Indonesia's National Agency of Drug and Food Control (BPOM) currently requires products that will be imported, distributed, and traded in Indonesia to have an MUI halal certificate if the applicant wishes to include halal information/logo on their product label. In the future, this requirement will not be necessary if the product has been certified by the halal certification agency in its country of origin.

The BPJPH, the Ministry of Religious Affairs, and the Ministry of Foreign Affairs are collaborating on drafting an intergovernmental cooperation agreement for Indonesia and other nations. This bilateral agreement will enable certifi-

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cates issued by a halal certification agency in one country to be recognized in Indonesia, and, once in effect, applicants will only be required to register their halal logo with the BPJPH with no additional certification actions needed.

Indonesia's new halal assurance system may appear complicated. However, the government is expending considerable effort in simplifying procedures and requirements, and setting costs that are affordable for all. With the establishment of the BPJPH and the drafting of halal assurance laws, it is anticipated that the halal assurance system in Indonesia will soon be more efficient than ever before. 🏠