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Indonesia

Halal Certificate becomes mandatory for domestically produced foods and beverages

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インドネシアでは、2014年にハラール製品保証法が制定された後、同法に基づくハラール認証の取得義務化は先送りされていたが、政令 2024 年第 42 号に基づき 2024 年 10 月 17 日をもって国内産の食品等に対してハラール認証の取得が義務付けられた。本稿では、今般の義務化の内容と今後の展開について紹介する。

I. Introduction

Indonesia, the fourth largest nation in the world by population, is a Muslim majority country; Muslims in Indonesia account for nearly 90% of its 280 million population, making it the country with the world's largest Muslim population per capita. In today's interconnected world, it is widely known that under Islamic law, among other things, consumption of pork or alcohol is deemed a strict taboo. If you have traveled in Southeast Asian countries, you may be familiar with illustrations of a small pig beside items on a restaurant menu, or a "HALAL" certification symbol printed on food or beverage packaging sold in supermarkets. The pig icon is a cautionary indication that the meal contains pork or pork derivatives such as lard or gelatin, while the *halal* certificate ensures that no such substances are included in the marked product. "*Halal*" is an Arabic term meaning legitimate or lawful under Islamic law. Things that are not *halal* are called "*haram*" or non-*halal*. Although the concept of *halal* is common in the Islamic world, the *halal* certificate itself is issued and granted by the national government or Islamic body in each country. In principle, business operators that intend to export *halal* goods to another country need to obtain the *halal* certificate of the destination country if they wish to sell the goods as *halal* there.

In Indonesia, where Islamic law is not directly applied as a national law, there had been no legislation concerning *halal* certification until the enactment and promulgation of Law No. 33 of 2014 on Halal Product Assurance (the "Halal Law") in 2014. Prior to this legislation, *Majelis Ulama Indonesia* (MUI) or the Indonesian Ulema Council, which is composed of top Indonesian Islamic scholars, had the role of authorizing *halal* certificates in the country, and businesses were not legally required to affix the *halal* certificate to their products.

Under the Halal Law, *Badan Penyelenggara Jaminan Produk Halal* (BPJPH) or the Halal Product Assurance Organizing Agency was organized under the supervision of the Ministry of Religion and the authorization of *halal* certificates was transferred to BPJPH from MUI. The Halal Law also obliged business actors to obtain the *halal* certificate in order to import, distribute or retail foods, beverages, medicines, cosmetics or any other product consumed by humans. That obligation was supposed to come into effect after a certain transition period.

II. Partial Implementation of Mandatory Halal Certification

In the face of defiance by micro and small business owners, who were hesitant about lengthy certification processes as well as additional costs, the implementation of mandatory *halal* certification was suspended for several years. Effective on and from October 17, 2024, however, businesses engaged in foods, beverages, butchered meat products and butchering services (such products, collectively, "F&B") are required to affix to their F&B the *halal* certificate issued by BPJPH in accordance with Government Regulation No. 42 of 2024 ("GR 42/2024"), provided however that micro or small businesses and importers of F&B are exempted from such obligation for a maximum of two years, i.e. until October 17, 2026.

Notwithstanding the implementation of mandatory *halal* certification for F&B, trading non-*halal* F&B is not completely banned in Indonesia. Products containing pork, pork derivatives or alcohol, or mixed with non-*halal* substances in production lines, are still allowed to sell in the market if a “Non-Halal” mark is affixed to the package and non-*halal* F&B are displayed in such a way as to be clearly distinguished from *halal* products.

Under Islamic law, *halal* concerns not only F&B, but also relates to anything applying to the human body such as medicines, cosmetics and clothes. Accordingly, GR 42/2024 categorizes certain products which require *halal* certification, ranging from (i) foods, beverages, medicines and cosmetics, to (ii) chemical, biological and genetically-engineered products relating to category (i), and (iii) other products made from animal-derived ingredients. The Ministry of Religion has also published a regulation setting out a list of products which are subject to *halal* certification requirements.

Under GR 42/2024 the mandatory *halal* certification is set to be imposed in stages on product categories other than F&B, which came into effect on October 17, 2024 in relation to domestic medium and large businesses.

- By October 17, 2026:
 - natural medicines, quasi-medicines¹, and health supplements;
 - cosmetics, chemical products, and genetically-engineered products;
 - clothing, head coverings, and accessories;
 - household health supplies, household equipment, prayer equipment for Muslims, stationery, and office supplies; and
 - medical devices in risk class A².
- By October 17, 2029:
 - over-the-counter drugs; and
 - medical devices in risk class B.
- By October 17, 2034:
 - prescription drug except psychotropic drugs; and
 - medical devices in risk class C.

III. Conclusion

While domestic enterprises in the F&B sectors, with the exception of micro and small business owners, now have to address the mandatory *halal* certificate regime, foreign businesses exporting F&B to Indonesia are covered by the maximum 2-year grace period from the enactment of GR 42/2024. The staged implementation of the mandatory *halal* certification provides an additional challenge to foreign businesses aiming for the largest consumer market in the region.

¹ Quasi-medicines may include some nutritional drinks, shampoos and hair growth products subject to relevant regulations.

² The risk classes of medical devices are subject to relevant laws and regulations.

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