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Report Highlights:

This report provides an overview of relevant regulations, decrees, and standards related to halal certification and the implementation of Indonesia's 2014 Halal Law. A 5-year phase-in period for the mandatory certification of food, beverages, meat, and poultry began on October 17, 2019 and will end on October 17, 2024. After that date, all food, beverages, meat, and poultry must be marketed according to the 2014 Halal Law. However, many details related to the implementation remain uncertain.

Background

As the 2014 Halal law requires, the Jokowi administration created a new agency known as the Halal Product Assurance Organizing Agency (BPJPH) under the Ministry of Religious Affairs (MORA). Tasked with implementing a system of procedures for auditing, certifying, and registering both domestic and foreign products and businesses, BPJPH has struggled to meet the monumental challenge of devising a new system that can deliver the assurance many consumers desire without upending trade, increasing food insecurity, and threatening growth and investment. The March 2021 removal of Prof. Ir Sukoso, who had served as the Head of BPJPH since its inception in 2017, underscores the complexity of the endeavor, which has been keenly observed by members of the administration, industry, parliament and BPJPH's predecessor, the Indonesian Ulema Council (MUI). As BPJPH transitions to new leadership, this report is intended to provide an overview of important legislation that has transformed Indonesia's halal regulatory regime.

The following table provides a summary of various aspects of the halal regulatory regime based on the expressed scope/intent established under existing legislation and notes areas requiring further clarity and of concern:

Expressed Scope/Intent of Existing Legislation/Regulation	Further Clarification Required and/or Concern
All food, beverages, meat and poultry must be certified halal and registered with BPJPH by October 2024 (<i>except for haram products such as pork and alcohol</i>).	Unclear certification standards, process for certifying products, and process for registering products with BPJPH. Trade restrictive scope of products requiring certification.
All food, beverages, meat and poultry must be labeled halal or non-halal by October 2024.	Type, size, information, and scope of labeling are unclear. Concerning additional costs and market access for imported products.
Products must derive from a dedicated halal supply chain, including processing, equipment, packaging, storage, and distribution.	Degree and scope of requirements are unclear. Concerning that supply chain requirements for businesses/products that do not specifically cater to halal consumers.
Foreign Halal Certifying Agencies may establish a Mutual Recognition Agreement with BPJPH for the recognition of Foreign Halal Certificates	Unclear what the requirements, process, costs, and timeframes are for Foreign Halal Certifying Agencies to establish an agreement.
Foreign Halal Certifying Agencies may certify raw material, additive, auxiliary material, or slaughtered products.	Unclear if Foreign Halal Certifying Agencies may certify processed products and retail products. Concerning that processed and retail products may require costly and burdensome onsite audits by BPJPH.

BPJPH is authorized to engage in international cooperation and implement international agreements with foreign entities.	Unclear if BPJPH requires a government to government agreement; what the scope or nature of such an agreement would entail.
Genetically Engineered (GE) products are required to be halal certified.	Unclear how this aligns with MUI Fatwa on GE Products. Concerning implications for soybeans, corn, and possibly other commodities.

Law 33/2014 on Halal Product Assurance

Signed into law on October 17, 2014, Law 33/2014 on Halal Product Assurance, otherwise known as the “Halal Law”, is the legal foundation for all subsequent halal-related legislation. Since first passing under the administration of former President Susilo Bambang Yudhoyono, the Government of Indonesia (GOI) has struggled to implement its provisions, including its primary goal of ensuring that “Products that enter, circulate, and are traded in the territory of Indonesia must be halal-certified” (Article 4).

The Halal Law establishes a system for assuring products are halal. Products covered are broadly defined as “goods and/or services related to food, beverages, drugs, cosmetics, chemical products, biological products, genetically engineered products, and consumer goods that are worn, used, or utilized by the public” (Article 1). The law applies to both domestic and imported products. The law established a new agency under the Ministry of Religious Affairs (MORA), the Halal Product Assurance Organizing Agency, abbreviated and commonly referred to as BPJPH in Bahasa Indonesia. Much of the Halal Law focuses on the specific roles and responsibilities of BPJPH, which under Article 6 include:

- a. formulating Halal Product Assurance policy;
- b. setting halal certifying body (HCB) norms, standards, procedures, and criteria;
- c. issuing and revoking Halal Certificates and Labels;
- d. registering imported product Halal Certificates;
- e. Public education about Halal
- f. accrediting HCBs:
- g. training and HCBcertifying Halal auditors;
- h. collaborating with domestic and foreign institutions involved with halal certification.

The law indicates that to be halal, products must come from fully dedicated and segregated halal supply chains. For example, the law defines halal “Material and Processes” (Article 17), to include “raw material, processed material, additional material, and auxiliary material,” which may be derived from “animal, plant, microbe, or material that is obtained through chemical, biological, or genetically modified process”. Furthermore, Article 21 states that “the location, place, and equipment of halal material and processes must be separated from the location, place and equipment for slaughtering, processing, storing, packaging, distributing, selling and presenting of non-halal products”.

The law also outlines provisions related to “Business Operators” and the process for applying for halal certification, requirements for “Halal Supervisors”, and sanctions for non-compliance (Articles 23-28). The law notes procedures to obtain a halal certificate, including the role of the halal certifying body (HCB) in testing and examination, and MUI’s role in determining halalness (Articles 29-37); product labeling requirements (Articles 38-41); renewal of Halal Certificates (Articles 42-43); and costs for certification (Article 44). Most articles within the law conclude by stipulating that additional provisions or procedures will be provided through “Government or Ministerial Regulations”, a common occurrence in Indonesia, which can be loosely translated as “additional details forthcoming”.

Chapter six of the law provides the first reference to “International Collaboration” by stating the GOI may collaborate with international entities in the areas of “halal product assurance, conformity assessment, and/or recognition of halal certificates” (Article 46). Importantly, Article 47 states that “(1) Imported Halal Products must comply with provisions of this Law” and “(2) Halal Products as intended in paragraph (1) do not require Halal Certificate application as long as the Halal Certificate is issued by foreign halal agency that has performed collaboration of recognition as intended in Article 46 paragraph (2).” There are no provisions in the law that directly refer to or suggest a requirement for any form of government to government agreement.

A link to an unofficial English translation of the regulation is included in the table at the end of this report.

Government Regulation (GR) 39/2021

On February 12, 2021, Indonesia notified Government Regulation (GR) 39/2021 to the WTO Technical Barriers to Trade committee (see [G/TBTN21/IDN131](#)). Signed into law on February 2, 2021, GR 39/2021, titled “The Organization of Halal Product Assurance”, is an implementing regulation of Law 11/2021 on Job Creation, otherwise known as the Omnibus Law. GR39/2021 replaces GR31/2019, a previously issued implementing regulation of Law 33/2014. However, ministerial regulations carried out under GR 31/2019, such as Ministry of Religious Affairs (MORA) Decree 464 and MORA Regulation 26/2019 (see below), remain in effect to the extent there is no contravention with GR 39/2021.

Comprised of 16 chapters, GR 39/2021 provides the clearest indication yet of the scope, intent, and practical implementation of Law 33/2014. The regulation reaffirms BPJPH's role as established under the law (Article 5), provides further guidance on the role of MUI in determining product halalness and issuance of halal certificates (Articles 76-79), and elaborates on the role and responsibilities of HCB and a HCB Accreditation Team (Chapter 4), Business Operators (Chapter 5), and Halal Supervisors (Articles 50-58). Although it is not clearly stated and much ambiguity remains, the provisions of Chapters 4-6 appear targeted towards the domestic process of halal assurance.

Other chapters that appear to apply more generally to both foreign and domestic products include Chapter 3 on *Halal Product Processing Locales, Establishments and Equipment*, and Chapter 7 on *Halal Labeling and Non-Halal Notices*. Chapter 9 on *Collaboration Over Halal Product Assurance Implementation* provides the regulatory authority for BPJPH to collaborate with various GOI ministries and agencies on the implementation of the Halal Law, including MUI (Article 118) and the Ministry of Foreign Affairs (Article 111).

Chapter 9 (Articles 119-124) also addresses International Cooperation on Halal Product Assurance. Similar to Law 33/2014, GR 39/2021 states that the GOI may "participate in international cooperation in the areas of "halal product assurance development, conformity assessment, and/or recognition of halal certificates". Article 119 (4) notes that "international cooperation referred to in section (1) shall be based on international agreements". The language is again ambiguous, providing no clear way to discern what aspects of "halal assurance development, conformity assessment, and/or recognition of halal certificates" should be covered under such an agreement, what organizations or government entities are expected to sign such an agreement, and whether or not any agreement must be established between a foreign government and the GOI as a prerequisite for products to enter the Indonesian market. Some clarity is provided in Article 122-123, which provides that international cooperation in the area of Halal Certificates will be conducted through "mutual recognition" of Halal Certificates issued by foreign halal agencies. Article 123 states this recognition will be "based on reciprocal agreement", provided the foreign halal agency is "established by the government or an Islamic religious institution recognized by the country concerned" and that the foreign halal agency is "accredited by an accreditation agency in the country concerned that must have obtained recognition from a regional or international accreditation cooperation organization." Article 124 (2) states that "In the event that the country concerned has no accreditation agency as referred to in Article 123 section (4), the foreign halal agency is accredited by the HCB Accreditation Team". The regulation provides few details on the HCB Accreditation Team, simply noting in Article 1 (12) that "The HCB Accreditation Team is several individuals within an agency who conduct HCB Accreditation and is responsible to BPJPH." Later, Article 27 (5) notes that "The HCB Accreditation Team may consist of academics, practitioners, ulema, and state and civil agent having competence and expertise on the matter of halal products".

Chapter 10, on *Foreign Product Certification and Registration of Foreign Halal Certificates*, states in Article 125 that "Foreign products introduced into Indonesia are required to carry halal certification". No qualification to this stipulation is provided. Mirroring language from Law 33/2014, Article 127

provides that halal products with foreign halal certificates that are issued by a foreign halal agency that has entered into a mutual recognition agreement with BPJPH are not required to apply for Halal Certificates. However, section (2) provides that a halal certificate issued by a foreign halal agency with a mutual recognition agreement with BPJPH for a category of products including raw material, additive, auxiliary material or slaughtered product must be registered prior to circulation in Indonesia.

Articles 128-130 detail the application and registration process for foreign halal certificates, including a timeline for documentation review, which appears to establish requirements for submitting foreign documentation that are more restrictive than domestic applications. Unlike domestic applications, which BPHPH is required to review in a matter of days, no timeframe is provided for the review of foreign applications. Articles 132-133 provide the process for issuing foreign halal certificates, including the issuance of a registration number that must be attached near the halal label on product packaging. The regulation does not provide any guidance on the costs of Foreign Halal Certificate registration, other than to note the costs shall be borne by the applicant.

Chapter 11 establishes *Stages of Mandatory Halal Certification by Product*. The timeline for mandatory halal certification of food, beverages, meat, and poultry began on October 17, 2019 and will end on October 17, 2024. Article 136 notes that “Food, beverages, medications, and cosmetics referred to in Article 135 section (2) letter *a* through letter *d* will be determined by the Minister for their respective types, following coordination with the relevant ministries, the relevant agencies, and MUI”. This article seems to refer to MORA Decree 464 (see below), which provides a detailed list of products within these categories that must be certified halal.

Related to GE products, Article 137 states that “Chemical products, biological products, and genetically engineered products as referred to in Article 135, section (2) letter *e* through *g* and services as referred to in Article 135 section (3) **apply only to products that are related to food, beverages, medications, or cosmetics** (emphasis added). This suggests that GE derived fiber would not be subject to halal certification.

A link to an unofficial English translation of the regulation is included in the table at the end of this report.

Ministry of Religious Affairs (MORA) Decree 464

Signed May 29, 2020, MORA Decree 464 provides a list of product types that are required to obtain halal certification, based on Law 33/2014 and subsequent implementing regulations. The list is extensive, covering 48 product types, including many food, beverages, and food additives. In addition to products typically certified halal, such as meat, dairy, and other products of animal origin, the Decree requires halal certification for all products that undergo “processing”. This broad characterization includes products such as vegetable oils, dried and frozen fruit and vegetables, fresh fruit if the surface

has been treated, all varieties of flour, sweeteners, spices, fruit juices and even mineral water. Some non-processed products, such as sorghum, are also listed.

While the list does not seem to include several major bulk commodities such as soybeans, wheat, corn, and cotton, it does require halal certification for all Genetically Engineered (GE) products and does not provide for any qualification as to the origin of the GE modification or the safety of the product. However, similar to GR 39/2021, the decree does note that the GE requirements are only related to food, beverages, medications, and cosmetics, which suggests halal certification would not be required for GE fiber.

The existence of MORA Decree 464, with its detailed list of products requiring halal certification and (through their omission) categories of products that are not required to be halal certified suggests a possible contradiction with Article 4 of Law 33/2014 and Article 125 of GR 39/2021 in that in practice not *all* products must be halal certified.

A link to an unofficial English translation of the regulation is included in the table at the end of this report.

Ministry of Religious Affairs (MORA) Regulation 26/2019

MORA Regulation 26/2019 on *The Organization of Halal Product Guarantee* comprises 16 chapters of ministerial regulations outlining a broad array of procedures related to the implementation of Law 33/2014. Although MORA 26/2019 was not revoked along with GR 31/2019 upon implementation of GR 39/2021, much of the relevant portions of the regulation have been incorporated into GR 39/2021, and thus are no longer applicable due to the contravention clause of Article 170. Chapters relevant to foreign halal certification and international cooperation that appear no longer applicable include Chapter 2 (Part 6: Procedures for International Cooperation) and Chapter 10 (Procedures for Registration of Foreign Halal Certificates).

A link to an unofficial English translation of the regulation is included in the table at the end of this report.

Government Regulation (GR) 31/2019

Government Regulation 31/2019 was an implementing regulation of Law 33/2014, which has since been replaced by GR 39/2021. Additional information on the contents of GR 31/2019 can be found in GAIN Report [ID1913](#).

A link to an unofficial English translation of the regulation is included in the table at the end of this report.

MUI Fatwa 35/2013

This MUI Fatwa from 2013 on *Genetic Engineering and its Products* provides the basis for determining when it is permissible under Islamic Law to use and consume products derived from GE technology. The Fatwa states that the use of GE technology on plants, animals and microbes is permissible if it is carried out for beneficial purposes, does not cause harm to the environment or humans, and does not use genes or other parts derived from the human body.

A link to the original Fatwa (in Bahasa) is included in the table at the end of this report.

Halal-related Laws, Government Regulations, Ministerial Regulations and Decrees (2014-Present).

Regulation	Title	Purpose	Scope/Details	URL
Government Regulation (GR) No. 39/2021	The Organization of Halal Product Assurance (Feb 2, 2021)	An implementing regulation of Law 11/2021. GR 29/2021 replaces GR 31/2019, but does not invalidate implementing regulations issued under GR 31/2019, such as MORA 26/2019 and MORA Decree 464.	<ul style="list-style-type: none">- BPJPH duties- Collaboration between BPJPH and other agencies- MUI duties- HCB duties- Collaboration BPJPH with MUI and HCB- Halal auditors- Halal supervisor- Halal supervisor- Collaboration with foreign halal certifiers- Procedures on registering foreign halal certificates- Time period for mandatory halal of different products	http://www.usdaindonesia.org/wp-content/uploads/2021/03/GovReg-39_2021_Organization-of-Halal-Product-Assurance.pdf
Law No. 11/2020	Job Creation (Nov 2, 2020)	To amend several articles of Law No. 33/2014 that intended to ease the halal certification	Amendment of Law 33/2014 can be seen in Article 48 of Law 11/2021	http://www.usdaindonesia.org/wp-content/uploads/2021/03/Salinan-UU-Nomor-11-Tahun-2020.pdf

		process in Indonesia		
Ministry of Religious Affairs (MORA) Decree No. 464/2020	Type of Products That are Obligated to be Halal Certified (May 29, 2020)	Reg. 464 provides a list of all products (48 Product Types) required to be certified halal under the 2014 Halal Law	<ul style="list-style-type: none"> a. food; b. beverage; c. medicine; d. cosmetic; e. chemical product; f. biological product; g. genetically modified product h. utilized good; i. slaughtering service; j. processing service; k. storing service; l. packaging service; m. distributing service; n. selling service; and o. serving service. 	http://www.usdaindonesia.org/wp-content/uploads/2021/02/MORAs-Decree-No.-464_2020.pdf
Ministry of Religious Affairs (MORA) Regulation No. 26/2019	The Organization of Halal Product Guarantee (Oct 15, 2019)	A MORA implementing regulation of GR 31/2019	<ul style="list-style-type: none"> - BPJPH duties - Collaboration between BPJPH and other agencies - Procedures on Foreign Halal Certificate registration - Details on halal label and non-halal information - Recognition and Renewal of Foreign Halal Agencies 	http://www.usdaindonesia.org/wp-content/uploads/2021/02/MORAs-Reg-No.-26-Year-2019.pdf
Government Regulation (GR) No. 31/2019	The Provisions of The Implementation of Law No. 33 Year 2014 Regarding Product Halal Assurance (Apr 29, 2019)	A Government implementing regulation of Law 33/2014	<ul style="list-style-type: none"> - BPJPH duties - Collaboration between BPJPH and other agencies - MUI duties - HCB duties - Collaboration BPJPH with MUI and HCB - Halal auditors - Halal supervisor - Halal supervisor 	http://www.usdaindonesia.org/wp-content/uploads/2021/03/GovReg-39_2021_Organization-of-Halal-Product-Assurance.pdf

			<ul style="list-style-type: none"> - Collaboration with foreign halal certifiers - Procedures on registering foreign halal certificates - Time period for mandatory halal of different products 	
Indonesian National Standard (SNI) 99003:2018	Halal Slaughtering on Ruminants	Standards for halal slaughtering on large and small ruminants	Standards for purchasing, transportation, pre-slaughter, slaughtering, post slaughtering, packaging, labeling, storing, transportation, traceability, and handling of non- halal products	http://www.usdaindonesia.org/wp-content/uploads/2021/04/SNI-Ruminant-Halal-Slaughtering_EN.pdf
Indonesian National Standard (SNI) 99002:2016	Halal Slaughtering on Poultry	Standards for halal slaughtering on poultry	Standards for purchasing, transportation, pre slaughtering, slaughtering, post slaughtering, packaging, labeling, storing, transportation, traceability, and handling of non halal products	http://www.usdaindonesia.org/wp-content/uploads/2021/03/SNI-Poultry-Halal-Slaughtering_EN.pdf
Indonesian National Standard (SNI) 99001:2016	Halal Management System	A reference and principal in implementing halal management system	<ul style="list-style-type: none"> - Terminology - Organizational Structure - Leadership - Halal Management System - Operations 	http://www.usdaindonesia.org/wp-content/uploads/2021/03/SNI-Halal-Management-System_EN.pdf
Ministry of Religious Affairs Regulation No. 42/2016	Organization and Working Procedures of the Ministry of Religious Affairs (Sep 29, 2016)	The organization structure of Halal Product Guarantee Organizing Agency (BPJPH)	<ul style="list-style-type: none"> - Duties and function of BPJPH - BPJPH consists of secretariat and 3 centers, i.e.: halal certification and registration, guidance and supervision of halal 	http://www.usdaindonesia.org/wp-content/uploads/2021/03/PMA_42_Tahun_2016.pdf http://www.usdaindonesia.org/wp-content/uploads/2021/03/6.-

			product assurance, collaboration and halal standardization	PMA-42-2016-LAMPIRAN_.pdf
Presidential Regulation No. 83/2015	Ministry of Religious Affairs (July 15, 2015)	The Status of BPJPH	BPJPH is an agency under the Ministry of Religious Affairs.	http://www.usdaindonesia.org/wp-content/uploads/2021/03/Perpres-Nomor-83-Tahun-2015.pdf
Law No.33/2014	Halal Product Assurance (Oct 17, 2014)	All products that are distributed in Indonesia are obliged to be halal certified	<ul style="list-style-type: none"> - Halal certification becomes mandatory - BPJPH takes over MUI authority in Halal matters - Goods and services, such as: food, beverages, medicines, cosmetics, chemical products, genetically engineered products, slaughtering, distributing, etc. must be halal certified. 	http://www.usdaindonesia.org/wp-content/uploads/2021/02/Law-33_2014.pdf
MUI Fatwa No. 35/2013	Genetic Engineering and Its Products (Aug 3, 2023)	Ulemas decision on GE technology and the halalness of products resulting from this technology.	<ul style="list-style-type: none"> - Genetically Engineered technology of plants, animals, and microbes are permitted (mubah) with certain conditions. - Genetically engineered plants and animals are halal. - Food, medicines, and cosmetics that are resulted from genetically engineering are halal 	http://www.usdaindonesia.org/wp-content/uploads/2021/03/No.-35-Rekayasa-Genetika-dan-Produknya.pdf

Additional Resources:

MUI List of Approved Foreign Halal Certifiers:

<https://www.halalmui.org/mui14/main/page/list-of-halal-certification-bodies>

Department of Commerce Market Intelligence Reports:

<https://www.trade.gov/market-intelligence/indonesian-halal-product-assurance-requirements>

<https://www.trade.gov/market-intelligence/indonesian-halal-product-assurance-product-scope>

BPJPH Official Website and Contact Info:

<http://halal.go.id/>

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Attachments:

No Attachments.