

# HALAL INDUSTRY AND CERTIFICATION IN DISGUISE: Is It Faith Implementation or Economic Ploy in Indonesia's Legal Framework?

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## ***Abstract***

*The halal industry in Indonesia has experienced rapid growth, but the implementation of halal certification still encounters issues. The main challenges include misuse of the halal logo, limited enforcement of the Law No. 33 of 2014 concerning Halal Product Guarantee and its regulatory mechanisms, and inadequate consumer protection at both the national and international levels. This situation has sparked debate over whether micro-enterprises seek halal certification for religious reasons or primarily in response to market pressures, raising broader concerns about the decline of spiritual values in contemporary halal practices. This study uses a critical qualitative method with an interdisciplinary approach, combining insights from Islamic economics, Islamic studies, and the sociology of religion, while the *maqāṣid al-syarīʿah* framework and Islamic economic law serve*

*as the theoretical basis. Findings indicate that halal certification serves both religious and economic purposes, with the two dimensions reinforcing each other. While Halal certification represents moral responsibility and a value of worship, it is also embedded in a global production and distribution system governed by legal frameworks and market logic. The study concludes that the most significant challenge lies in the trade-off between spiritual orientation and economic interests, which can be addressed through more effective Halal certification management. Furthermore, this study argues that strengthening the enforcement of Law No. 33 of 2014 and adopting the proposed Participatory Halal Governance theory can inform halal governance policy reform, improve consumer protection, provide legal certainty, and strengthen Indonesia's competitiveness in the global halal economy.*

*Industri halal di Indonesia telah mengalami pertumbuhan yang pesat, namun implementasi sertifikasi Halal masih menghadapi berbagai masalah. Tantangan utama meliputi penyalahgunaan logo Halal, penegakan hukum yang terbatas terhadap Undang-Undang No. 33 Tahun 2014 Tentang Jaminan Produk Halal dan mekanisme regulasinya, serta perlindungan konsumen yang tidak memadai baik di tingkat nasional maupun internasional. Situasi ini memicu perdebatan tentang apakah usaha mikro mencari sertifikasi Halal berdasarkan keyakinan agama atau terutama sebagai respons terhadap tekanan pasar, yang menimbulkan kekhawatiran lebih luas tentang penurunan nilai-nilai spiritual dalam praktik halal kontemporer. Studi ini menggunakan metode kualitatif kritis dengan pendekatan interdisipliner, menggabungkan wawasan dari ekonomi Islam, studi Islam, dan sosiologi agama. Kerangka maqāṣid al-syarī'ah dan hukum ekonomi Islam menjadi dasar teoretis. Temuan menunjukkan bahwa sertifikasi Halal berfungsi sebagai alat keagamaan dan ekonomi, dengan kedua dimensi saling memperkuat. Sertifikasi Halal mewakili tanggung jawab moral dan unsur ibadah, tapi juga tertanam dalam sistem produksi dan distribusi global yang diatur oleh kerangka hukum dan logika pasar. Studi ini menyimpulkan bahwa tantangan terbesar terletak pada menyeimbangkan orientasi spiritual dan kepentingan ekonomi melalui tata kelola sertifikasi Halal yang lebih efektif. Selain itu, studi ini berargumen bahwa memperkuat penegakan Undang-Undang No. 33 Tahun 2014 dan mengadopsi Teori Tata Kelola Halal Partisipatif yang*

*kelola Sertifikasi Halal, meningkatkan perlindungan konsumen, memberikan kepastian hukum, dan memperkuat daya saing Indonesia dalam ekonomi halal global.*

**Keywords:** *halal certification, Islamic economics, maqāṣid al-shari'ah, participatory halal governance*

## Introduction

The Halal industry is experiencing significant growth, with the global market projected to reach approximately USD 2.4 trillion by 2024.<sup>1</sup> This growth is driven by the rising Muslim population and the increasing demand for Halal products, which represents quality assurance and lifestyle choice.<sup>2</sup> Halal certification is essential to ensure that products comply with Islamic principles. It involves strict checks on hygiene, safety, and quality.<sup>3</sup> Digitalisation of the certification process is also recommended to improve efficiency and compliance.<sup>4</sup>

There are significant variations in Halal standards globally, which can complicate international trade. Different Halal Certification Bodies (HCBs) prioritise national regulations, leading to inconsistencies in standard.<sup>5</sup> This highlights the need for standardisation and consistency to meet the growing demand for Halal products. In Spain, Halal certification is gaining traction, with companies and port centres becoming certified to handle Halal products. This certification helps ensure the comprehensive compliance of logistics

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<sup>1</sup>A Amid, "Halal Industry and Issues," in *Solving Halal Industry Issues Through Research in Halal Sciences*, 2024, 1–14, [https://doi.org/10.1007/978-981-97-3843-4\\_1](https://doi.org/10.1007/978-981-97-3843-4_1).

<sup>2</sup>Amid.

<sup>3</sup>N A A Rahman and Z Al Balushi, "Halal Logistics Certification: A Middle East Perspective," in *Halal Logistics and Supply Chain Management: Recent Trends and Issues*, 2022, 222–29, <https://doi.org/10.4324/9781003223719-22>.

<sup>4</sup>L Santoso and A Rachman, "DIGITALISING HALAL CERTIFICATION: The Dynamic of Regulations and Policies Concerning Halal Certification in Indonesia," *Jurisdictie: Jurnal Hukum Dan Syariah* 14, no. 2 (2023): 265–93, <https://doi.org/10.18860/j.v14i2.24115>.

<sup>5</sup>J Akbar et al., "Global Trends in Halal Food Standards: A Review," *Foods* 12, no. 23 (2023), <https://doi.org/10.3390/foods12234200>.

processes with Halal standards.<sup>6</sup> In Russia and the Republic of Tatarstan, the Halal market is gradually expanding, with more participants and a wider range of products.<sup>7</sup> However, issues regarding compliance with production technology standards, certification, and recognition of interstate standards remain.

Against this global backdrop, Indonesia holds a strategic position as one of the countries with the largest Muslim population in the world and as a pioneer in implementing mandatory Halal certification. In accordance with Law No. 33 of 2014 concerning Halal Product Guarantee and Government Regulation No. 39 of 2021,<sup>8</sup> all products circulating in its territory must be Halal-certified by October 17, 2024, at the latest.<sup>9</sup> This policy not only fosters peace of mind for Muslim consumers but also strengthens Indonesia's role as a key player in the global Halal economy. Increased Sales and Trust Halal certification has significantly increased sales and consumer confidence for

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<sup>6</sup>F Mayor-Vitoria, "Halal Market Opportunities and Logistics in Spain," in *Halal Logistics and Supply Chain Management: Recent Trends and Issues*, 2022, 211–21, <https://doi.org/10.4324/9781003223719-21>.

<sup>7</sup>L N Safiullin, G K Galiullina, and L B Shabanova, "State of the Market Production Standards 'Halal' in Russia and Tatarstan: Hands-on Review," *Academy of Marketing Studies Journal* 20, no. Special Issue (2016): 88–95, <https://www.scopus.com/inward/record.uri?eid=2-s2.0-84995603603&partnerID=40&md5=d13d68afab6e1de73430f58a5a642bfc>.

<sup>8</sup>B Effendi et al., "The Importance of Green Halal Industry in Sustainable Sharia Economics Development in Indonesia," *Indonesian Journal of Advocacy and Legal Services* 1, no. 2 (2024): 143–60, <https://doi.org/10.57239/PJLSS-2024-22.2.00899>; S A P Rahayu et al., "Halal Certification Imperatives for MSMEs: Navigating Sustainability, Consumer Confidence, and Policy Compliance (Case of Kenteng, Bandung, Indonesia)," *Indonesian Journal of Advocacy and Legal Services* 5, no. 2 (2023): 143–60, <https://doi.org/10.15294/ijals.v5i2.72426>; B Effendi et al., "PREPARATION FOR THE IMPLEMENTATION OF MANDATORY HALAL REGULATIONS FOR FOOD AND BEVERAGE PRODUCTS IN INDONESIA," *Revista Juridica* 1, no. 77 (2024): 341–65, <https://doi.org/10.26668/revistajur.2316-753X.v1i77.6823>.

<sup>9</sup>Effendi et al., "The Importance of Green Halal Industry in Sustainable Sharia Economics Development in Indonesia"; Rahayu et al., "Halal Certification Imperatives for MSMEs: Navigating Sustainability, Consumer Confidence, and Policy Compliance (Case of Kenteng, Bandung, Indonesia)."

businesses like Zulaikha in Medan, North Sumatra.<sup>10</sup> This trend is followed by other regions, where certified products are considered more trustworthy.<sup>11</sup> Micro, Small, and Medium Enterprises (MSMEs) face hurdles such as certification costs, lack of awareness, and complex regulatory requirements.<sup>12</sup> Despite these challenges, halal certification is essential to improve their market competitiveness and consumer confidence.<sup>13</sup> Nevertheless, mandatory Halal certification remains crucial for enhancing market competitiveness, consumer confidence, and Indonesia's global leadership in the Halal industry.

The Indonesian government has initiated the digitisation of halal certification to streamline processes, reduce costs, and improve compliance.<sup>14</sup> This includes using blockchain technology to ensure traceability and transparency in the halal supply chain.<sup>15</sup> Demand for halal-certified products is increasing, driven by Indonesia's major Muslim population and rising consumer awareness.<sup>16</sup> Halal certification influences purchasing decisions, as

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<sup>10</sup>A Rafiki, "Impact, Perception and Challenges Due to Halal Certification: The Case of Zulaikha Shop," in *Management for Professionals*, vol. Part F561, 2019, 139–53, [https://doi.org/10.1007/978-3-030-10907-3\\_12](https://doi.org/10.1007/978-3-030-10907-3_12).

<sup>11</sup>M S A Alanazi, S R Hidayat, and A O A Alyusufi, "Fatwa, Marketing, and Halal Certification: A Socio-Legal Analysis of The Indonesian Ulama Council Fatwa Number 80 of 2022," *International Journal of Law and Society* 3, no. 2 (2024): 156–72, <https://doi.org/10.59683/ijls.v3i2.96>.

<sup>12</sup>A Prawiro, "Challenges in the Halal Industry Ecosystem: Analyzing the Halal Certification Process for Micro, Small, and Medium Enterprises in Lombok, West Nusa Tenggara," *Mazahib Jurnal Pemikiran Hukum Islam* 22, no. 2 (2023): 431–84, <https://doi.org/10.21093/mj.v22i2.7010>.

<sup>13</sup>Alanazi, Hidayat, and Alyusufi, "Fatwa, Marketing, and Halal Certification: A Socio-Legal Analysis of The Indonesian Ulama Council Fatwa Number 80 of 2022."

<sup>14</sup>Santoso and Rachman, "DIGITALISING HALAL CERTIFICATION: The Dynamic of Regulations and Policies Concerning Halal Certification in Indonesia."

<sup>15</sup>M Heikal and A Rachman, "Digitalization of Halal Food Supply Chain Management Based on Blockchain Technology," in *Springer Proceedings in Business and Economics*, 2024, 103–21, [https://doi.org/10.1007/978-981-97-5400-7\\_7](https://doi.org/10.1007/978-981-97-5400-7_7).

<sup>16</sup>M Rahmah, N Barizah, and R D Kusumastuti, "Halal Certification of Patented Medicines in Indonesia in Digital Age: A Panacea for the Pain?," *International Journal of Economics and Management* 11, no. 2 Special Issue (2017): 210–17, <https://doi.org/10.31838/srp.2020.12.34>.

consumers prefer products that comply with their religious beliefs.<sup>17</sup> Indonesia has considerable potential in the global halal market, which is expected to reach USD 3.1 trillion by 2027.<sup>18</sup> However, competition from countries such as Malaysia and the dominance of non-Muslim countries in halal exports pose challenges.<sup>19</sup> Strong government policies and support are essential for the growth of Indonesia's halal industry. The Halal Product Guarantee Agency (BPJPH) plays a vital role in regulating and overseeing the certification process.<sup>20</sup>

The Halal industry faces several issues, including misuse of the Halal logo, enforcement of certification laws, and the need for better consumer protection.<sup>21</sup> Other problems, such as cost, market competitiveness, and legal issues in Halal pharmaceuticals, also need to be addressed.<sup>22</sup> Despite these challenges, the Halal market presents significant opportunities. The global Halal food trade is expected to grow at a rate of 7% per year, driven by increasing awareness and accessibility to information.<sup>23</sup> Halal accreditation should effectively monitor and ensure the quality of Halal products.

Research on halal certification in Indonesia has yielded several significant findings regarding economic, social, and institutional impacts. The implementation of halal certification, which is mandated by Law No. 33 of 2014, has been shown to make a significant economic contribution of around

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<sup>17</sup>Alanazi, Hidayat, and Alyusufi, "Fatwa, Marketing, and Halal Certification: A Socio-Legal Analysis of The Indonesian Ulama Council Fatwa Number 80 of 2022."

<sup>18</sup>N Hidayah and U Solihah, "Challenges and Opportunities in the Indonesian Halal Industry," in *Exploring the Halal Industry and Its Business Ecosystem Prospects*, 2025, 75–95, <https://doi.org/10.4018/979-8-3693-8618-7.ch004>.

<sup>19</sup>Hidayah and Solihah.

<sup>20</sup>B J Sujibto and M Fakhruddin, "Non-Muslim Voices on Halal Certification: From Sectoral-Religious Tendencies to State-Mandated Regulations," *Jurnal Ilmu Sosial Dan Ilmu Politik* 26, no. 3 (2023): 258–70, <https://doi.org/10.22146/jsp.67792>.

<sup>21</sup>M A A Halim and A A Ahmad, "Enforcement of Consumer Protection Laws on Halal Products: Malaysian Experience," *Asian Social Science* 10, no. 3 (2014): 9–14, <https://doi.org/10.5539/ass.v10n3p9>.

<sup>22</sup>Amid, "Halal Industry and Issues."

<sup>23</sup>S Kabiraj, R C Walke, and S Yousaf, "The Need for New Service Innovation in Halal Marketing," *Indian Journal of Marketing* 44, no. 2 (2014): 5–14, <https://doi.org/10.17010/ijom/2014/v44/i2/80442>.

USD 3.8 billion to the national GDP and create far more jobs, while it has also sparked debate regarding freedom of choice, the economic burden on small businesses, and the potential marginalisation of minority groups.<sup>24</sup> From the perspective of Islamic economic law, halal and *ṭayyib* certification helps realise the values of “*maṣlaḥah*” by protecting consumer health, guaranteeing food safety, and supporting environmental sustainability.<sup>25</sup> However, research on MSMEs in Lombok shows that although halal certification positively influences business performance, its adoption rate remains low due to the complexity of requirements and administrative barriers.<sup>26</sup> In addition, the regulatory framework for halal certification in Indonesia is still fragmented and not fully harmonised, creating legal uncertainty and implementation challenges.<sup>27</sup> Empirically, halal certification has been proven to increase food sales among MSMEs, evidenced by the case of Bogor City, underscoring the importance of simplifying processes and strengthening coordination among institutions in the national halal certification system.<sup>28</sup> This study addresses this gap by integrating Islamic economic law, consumer behaviour, and governance perspectives within the framework of *maqāṣid al-syarī‘ah*. The uniqueness of this study lies in its proposal of the Participatory Halal Governance Model as a holistic approach that balances spiritual orientation

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<sup>24</sup> A Fiteuanto, M Sofi, and A Muzakki, “Inclusive Halal Standards: Societal Effects on Religious Minorities in Indonesia and Malaysia,” *Islamic Quarterly* 68, no. 4 (2024): 451–79, <https://www.scopus.com/inward/record.uri?eid=2-s2.0-105019565068&partnerID=40&md5=94946b3c5e7ca81e015feab894b84093>.

<sup>25</sup> F Nisa, H Fitriansyah, and C Saleh, “The Integration of Maṣlaḥah into Islamic Economic Law through the Policy of Halal and Tayyib Certification in Indonesia,” *Jurnal Ilmiah Mizani* 12, no. 1 (2025): 254–68, <https://doi.org/10.29300/mzn.v12i1.6968>.

<sup>26</sup> S A P Rahayu et al., “Challenges in the Halal Industry Ecosystem: Analyzing the Halal Certification Process for Micro, Small, and Medium Enterprises in Lombok, West Nusa Tenggara,” *Mazahib Jurnal Pemikiran Hukum Islam* 22, no. 2 (2023): 143–60, <https://doi.org/10.15294/ijals.v5i2.72426>.

<sup>27</sup> C Lutfi, “Critical Review of Halal Industry Policy in Indonesia,” *Ascarya: Journal of Islamic Science, Culture and Social Studies* 5, no. 1 (2025): 1–12, <https://doi.org/10.53754/iscs.v5i1.717>.

<sup>28</sup> R Bahara et al., “Sustainable Improvement of Food SMEs Through Halal Certification: A Meta-Analysis,” in *AIP Conference Proceedings*, vol. 2957, 2024, <https://doi.org/10.1063/5.0183887>.



with economic interests, providing relevant theoretical and policy contributions to the discourse on Halal industry development in Indonesia.

Enforcement and monitoring of Halal certification needs to be improved to benefit both consumers and producers.<sup>29</sup> Educating stakeholders on their responsibilities in producing Halal products is also essential. Digital transformation of the Halal certification process, especially for MSMEs, is essential to reduce costs and expedite certification.<sup>30</sup> This transformation can lead to greater compliance and more certified Halal products.

The above research background emphasises the urgency of addressing the following question: How are spiritual values in current halal practices eroded? Do micro-entrepreneurs pursue halal certification on the grounds of faith or market demands? In short, to meet a Halal industry that is poised for substantial growth, these questions must be answered to address issues related to certification, standardisation, and regulatory enforcement to realise the full potential of the industry. Departing from these issues, this study aims to critically analyse the dynamics of Halal certification in Indonesia by scrutinising the intersection between spiritual values and market logic, evaluating the effectiveness of regulatory enforcement based on the Law No. 33 of 2014 concerning Halal Product Guarantee, and proposing a Participatory Halal Governance framework as a relevant policy solution to strengthen Halal governance and support the sustainable development of the Halal industry.

## Research Methods

This study uses a critical qualitative method with an interdisciplinary approach that combines Islamic studies, Islamic economics, and the sociology of religion<sup>31</sup> to analyse whether Halal certification currently reflects the actual

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<sup>29</sup>Halim and Ahmad, "Enforcement of Consumer Protection Laws on Halal Products: Malaysian Experience."

<sup>30</sup>Santoso and Rachman, "DIGITALISING HALAL CERTIFICATION: The Dynamic of Regulations and Policies Concerning Halal Certification in Indonesia."

<sup>31</sup> M Amin Abdullah, "Multidisiplin, Interdisiplin, & Transdisiplin: Metode Studi Agama & Studi Islam Di Era Kontemporer," *Yogyakarta: IB Pustaka*, 2020, <https://inlisite.uin-suska.ac.id/opac/pencarian-sederhana?action=pencarianSederhana&katakunci=Islam&ruas=Subyek&bahan=Semua+J>



manifestation of religious beliefs or merely functions as an “economic bypass”. The theoretical framework integrates the *maqāṣid al-syarī‘ah* approach and Islamic economic ethics, which emphasise the protection of religion, life, and property, as well as the principles of justice, honesty, and trust in economic practices.<sup>32</sup>

The research steps began with formulating the main problem, namely the shift in the meaning of Halal certification from a spiritual orientation to commercialisation. A literature review was conducted on key theories by Jasser Auda,<sup>33</sup> Umer Chapra,<sup>34</sup> and Monzer Kahf.<sup>35</sup> Data collection relied on secondary sources, including government and non-government policies (BPJPH, MUI), case reports involving producers and consumers, document analysis, and investigative news related to Halal certification between 2020 and 2025. Cases were selected purposively to represent various stakeholders, including government, certification bodies, producers, and consumers, to capture diverse perspectives and recurring issues in Halal governance. Data validity was ensured through triangulation by double-checking findings from official policy documents, academic literature, and credible media coverage.<sup>36</sup> Since no primary field research was conducted, this study is limited and does not comprehensively capture the real experiences of businesses and consumers beyond what is recorded in secondary sources.

Methodologically, this study combines doctrinal legal research and social legal research.<sup>37</sup> The doctrinal component uses normative legal methods, including a statutory approach and court decisions, to analyse the

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&fSubject=&fBahasa=ind.

<sup>32</sup> Jasser Auda, *Grounding Islamic Law Through Maqāṣen Al-Syarī‘ah* (Bandung: Mizan Pustaka, 2008).

<sup>33</sup> Auda.

<sup>34</sup> Muhammad Umer Chapra, *Towards a Just Monetary System*, *JKAU: Islamic Econ*, vol. 2, 1990, <http://ierc.sbu.ac.ir/>.

<sup>35</sup> Monzer Kahf, “Innovation and Risk Management in Islamic Finance: Shari‘ah Considerations,” in *Seventh Harvard International Forum on Islamic Finance*, 2006, 22–23.

<sup>36</sup> Bambang Arianto, “Triangulasi Metoda Penelitian Kualitatif,” 2024.

<sup>37</sup> Khadijah Mohamed, “Combining Methods in Legal Research,” *The Social Sciences* 11, no. 21 (2016): 5191–98.

legal framework under the Halal Product Guarantee Law and its implementing regulations. The social law dimension applies thematic and critical discourse analysis to uncover the underlying power relations and conflicting interests that affect the Halal certification system.<sup>38</sup> The results of this study are used to formulate a new theory, "Participatory Halal Governance Theory", which emphasises the importance of involving the Muslim community in the halal certification process in a more transparent, fair, and ethical manner.<sup>39</sup> This theory offers principles such as actor inclusiveness, procedural transparency, relational justice, and verification of the ummah. Thus, this theory is expected to be a solution to surmount the dualism between faith and economic calculations in the halal industry, while strengthening spiritual and social integrity in the future certification system.

### **Halal Product Guarantee Regulations and *Maqāṣid al-Sharī'ah*: Convergence and Divergence**

Halal certification in Indonesia is officially regulated under Law No. 33 of 2014 concerning Halal Product Guarantee and Government Regulation No. 39 of 2021, which stipulates halal guarantee as a mandatory regulatory framework. As a regulatory instrument, halal certification ensures product quality and safety, appealing not only to Muslim consumers but also to non-Muslim markets.<sup>40</sup> The certification process requires strict standards in preparation, storage, and documentation, thereby contributing to consumer protection, transparency, and food safety.<sup>41</sup> This reflects the objectives of

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<sup>38</sup> Ernawati Ernawati, *Wawasan Qur'an Tentang Ekonomi (Tinjauan Studi Penafsiran Tematik Al-Quran)* (Esa Unggul University, 2017).

<sup>39</sup> Archon Fung and Erik Olin Wright, "Deepening Democracy: Innovations in Empowered Participatory Governance," *Politics & Society* 29, no. 1 (2001): 5–41.

<sup>40</sup> J V Chavez and M B Vicente, "Halal Compliance Behaviors of Food and Accommodation Businesses in the Zamboanga Peninsula, Philippines," *Multidisciplinary Science Journal* 7, no. 5 (2025), <https://doi.org/10.31893/multiscience.2025259>.

<sup>41</sup> M A Latif, "Halal International Standards and Certification," in *The Halal Food Handbook*, 2020, 205–26, <https://doi.org/10.1002/9781118823026.ch14>; R Maulidia, K Rofi'ah, and L Santoso, "HALAL REGULATION AND CERTIFICATION IN THE CATERING BUSINESS: A Critical Review of Consumer Protection," *Jurisdictie: Jurnal Hukum Dan Syariah* 15, no. 1 (2024): 171–206, <https://doi.org/10.18860/j.v15i1.26988>.

*maqāṣid al-sharī'ah* in protecting *ḥifẓ al-dīn* (religion), *ḥifẓ al-nafs* (life), and *ḥifẓ al-māl* (property), while increasing competitiveness in the Halal industry.<sup>42</sup>

At a practical level, the implementation of Halal practices such as the Halal tourism initiative in West Nusa Tenggara demonstrates the convergence between state regulations and *maqāṣid* principles.<sup>43</sup> The provision of worship facilities, Sharia-compliant accommodation, and Halal-certified businesses shows how law enforcement can achieve *maqāṣid* objectives, particularly the protection of religion and community welfare.<sup>44</sup> Furthermore, the institutionalisation of Halal certification as a legal requirement strengthens consumer confidence and supports business performance, particularly for MSMEs, by increasing market access and compliance with Islamic business ethics.<sup>45</sup> The visibility of the Halal logo itself has become synonymous with trust, signifying compliance with legal norms and ethical standards oriented towards *maqāṣid*.<sup>46</sup>

However, several inconsistencies can also be identified. The commercialisation of Halal certification, reflected in high certification costs and bureaucratic complexity, is another issue for MSMEs, potentially

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<sup>42</sup> N A Norman et al., "Exploring The Ethical Dimensions Of Fiqh: The Role Of The Soul In Achieving *Maqāṣid Al-Sharī'ah*," *Justicia Islamica* 20, no. 1 (2021): 17–36, <https://doi.org/10.24035/jit.20.2021.205>; N Nordin, N L M Noor, and Z Samicho, "Applying the Work Systems Method to Investigate the Operational Efficiency of the Halal Certification System," in *Innovation Vision 2020: Sustainable Growth, Entrepreneurship, and Economic Development - Proceedings of the 19th International Business Information Management Association Conference*, vol. 1, 2012, 482–94, <https://www.scopus.com/inward/record.uri?eid=2-s2.0-84896385177&partnerID=40&md5=8b3c7a896d3be3e65e8f435d2067c5da>.

<sup>43</sup> A Rachman and B Sangare, "Impact Of Implementation Of Halal Tourism In West Nusa Tenggara Province: *Maqāṣid Al-Sharī'a* Perspective," *Justicia Islamica* 20, no. 1 (2023): 17–36, <https://doi.org/10.21154/justicia.v20i1.5173>.

<sup>44</sup> K Aibak, A Tajrid, and D Faizin, "Kontribusi Muhammad Aṭ-Ṭāhīr Ibnu 'Āsyūr Terhadap *Maqāṣid Asy-Syarī'ah*," *El-Mashlahah* 31, no. 1 (2021): 79–98, <https://doi.org/10.21154/justicia.v20i1.5756>.

<sup>45</sup> Rahayu et al., "Challenges in the Halal Industry Ecosystem: Analyzing the Halal Certification Process for Micro, Small, and Medium Enterprises in Lombok, West Nusa Tenggara."

<sup>46</sup> Alanazi, Hidayat, and Alyusufi, "Fatwa, Marketing, and Halal Certification: A Socio-Legal Analysis of The Indonesian Ulama Council Fatwa Number 80 of 2022."

undermining the *maqāṣid* principles of justice (*al-ʿadl*) and public welfare. Furthermore, although the law requires comprehensive enforcement, an excessive emphasis on administrative compliance can neglect the community's participatory role in upholding Halal values, thereby risking the creation of a technocratic rather than spiritually based governance model.<sup>47</sup> These differences indicate that although Law No. 33 of 2014 concerning Halal Product Guarantee and Government Regulation No. 39 of 2021 have succeeded in institutionalising *maqāṣid* within the formal regulatory structure, they may fail to ensure inclusivity, accessibility, and justice dimensions that are central to *maqāṣid al-shariʿah*.

Therefore, Indonesia's Halal Product Guarantee regulations simultaneously represent a convergence with *maqāṣid al-shariʿah* in promoting religious protection, consumer safety, and economic growth, revealing differences where market logic and regulatory complexity risk obscure justice, inclusivity, and spiritual integrity.<sup>48</sup> Bridging this gap requires rethinking the halal governance model, such as through Participatory Halal Governance, to align the legal framework with the holistic objectives of Islamic law.

Several provisions in Law No. 33 of 2014 and Government Regulation No. 39 of 2021 need to be revised because they deviate from the objectives of *maqāṣid al-shariʿah*. Article 4 of the Law and Articles 140–142 of the Government Regulation, which require halal certification, create procedural obstacles and high costs for MSMEs, contrary to *ḥifẓ al-māl* and the principle of *al-taysir*. Articles 5–12 of the Law and Articles 2–6 of the Government Regulation, which place BPJPH as the sole authority, create a layered

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<sup>47</sup>M S I Ishak and F Asni, “The Role of Maqasid Al-Shariʿah in Applying Fiqh Muamalat into Modern Islamic Banking in Malaysia,” *Journal of Islamic Accounting and Business Research* 11, no. 9 (2020): 2137–54, <https://doi.org/10.1108/JIABR-12-2019-0224>; A Kasdi et al., “Fiqh Minority for Papuan Muslims in the Perspective of Maqasid Al-Shariʿah,” *International Journal of Islamic Thought* 20 (2021): 1–12, <https://doi.org/10.24035/ijit.20.2021.205>.

<sup>48</sup>A Rafiki et al., “Sustainable Improvement of Food SMEs Through Halal Certification: A Meta-Analysis,” in *Management for Professionals*, vol. Part F561, 2019, 139–53, <https://doi.org/10.1063/5.0183887>; N Noor, “A Closer Look at Halal Brand Image: Systematic Review and Future Directions,” *Journal of Islamic Marketing*, 2025, <https://doi.org/10.1108/JIMA-06-2024-0259>.

bureaucracy with MUI, thereby undermining Sharia legitimacy and potentially disrupting *ḥifẓ al-dīn*. In addition, Articles 56–57 of the Law and Articles 149–151 of the Government Regulation regarding sanctions are too repressive and disproportionate, which is not consistent with the principle of *al-‘adl*. Finally, Articles 44–45 of the Law and Articles 138–139 of the Government Regulation on financing do not provide adequate protection for small businesses, so that regulations intended to protect *ḥifẓ al-māl*, on the contrary, add to the economic burden on business actors.

Meanwhile, MUI Fatwa No. 4/2003 on Halal Products provides a normative basis closer to the *maqāṣid al-sharī‘ah* than to formal state regulations. This fatwa emphasises the importance of ensuring the purity of ingredients, production processes, distribution, and product storage, with an orientation towards *ḥifẓ al-dīn* and *ḥifẓ al-naḥs*. The principles contained therein are substantive, namely, to maintain overall halalness so that Muslims are free from consuming dubious or haram goods. However, when its position is reduced to merely a technical reference within the framework of Law No. 33 of 2014 and Government Regulation No. 39 of 2021, this fatwa loses its binding force and the sharia authority that was initially dominant. As a consequence, this issue has created a gap between state law, which emphasises administrative aspects, and the ulama's fatwa, which emphasises the moral-spiritual dimension. This gap is likely to weaken the authenticity of the halal assurance system in Indonesia.

### Halal Certification: Between Faith, Economics, and Epistemological Critique

Halal certification is often understood as an administrative process that ensures a product meets Islamic standards. However, behind the formal form, there are complex dynamics involving motivations, values and strategies. This chapter builds a theoretical framework that combines four main approaches: *maqāṣid al-syari‘ah*, Islamic economic ethics, sociology of religion, and Islamic epistemological critique. This approach aims to bridge the two main poles of motivation behind halal certification: an expression of faith and economic strategy.

The first approach, *maqāṣid al-syari‘ah*, emphasises halal certification that does not merely serve as a formal label but instead safeguards the fundamental values of Sharia. Drawing on al-Shatibi's thought and Jasser Auda's

contemporary elaboration, *halal* is understood as an effort to protect *ḥifẓ al-dīn* (religion), *ḥifẓ al-nafs* (soul), and *ḥifẓ al-māl* (property). This means that *halal* is not just a matter of technical compliance; it reflects ethical principles that protect the spiritual and social integrity of the people. This framework expands the horizon of the meaning of *halal* as part of a value system that cannot be reduced to quality standards or industrial policies alone. Jasser Auda's approach to *maqāṣid al-sharī'ah* involves constructive criticism of traditional models and emphasises the need for contextual understanding.<sup>49</sup> His work highlights the importance of adapting Islamic principles to contemporary issues without compromising core values.

The second approach comes from Islamic economic ethics initiated by M. Umer Chapra and Monzer Kahf. In this framework, the economy is not a morally neutral arena, but must be run with justice, honesty and trustworthiness. *Halal* certification, in this perspective, serves as an instrument of social piety and moral responsibility of business actors, not just a marketing tool. This is a criticism of reducing *halal* to mere "market access" or a means to gain financial benefits. Thus, *halal* certification should be understood as part of moral integrity in business, not merely an administrative symbol. Umer Chapra's theory focuses on the ethical dimension of Islamic economics, emphasising justice, compassion and the welfare of society.<sup>50</sup> His work integrates ethical principles with economic practices to ensure consistency between the financial system and Islamic values.

These approaches complement each other, implying that *halal* certification cannot be understood partially. It contains values of faith, ethics, and economic interests, as well as a broader epistemological framework. Thus, *halal* certification is not restricted to a matter of procedure or regulation; it is about meaning, authority, and value transformation in contemporary Muslim society. This interdisciplinary understanding is needed to ensure that *halal* does not lose its substantive meaning amid the pragmatic, technocratic market flow.

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<sup>49</sup>M F Ni'ami, "Maqāṣid Al-Syarī'ah Dalam Tinjauan Pemikiran Ibnu 'Āsyūr Dan Jasser Auda," *Juris: Jurnal Ilmiah Syariah* 20, no. 1 (2021): 91–102, <https://doi.org/10.31958/juris.v20i1.3257>.

<sup>50</sup>N A Norman and M E Ruhullah, "Exploring The Ethical Dimensions Of Fiqh: The Role Of The Soul In Achieving *Maqāṣid Al-Sharī'Ah*," *Al-Shajarah* 29, no. 1 (2024): 47–77, <https://www.scopus.com/inward/record.uri?eid=2-s2.0-85199269891&partnerID=40&md5=f2fb61b953cc6160816d4114baec56a0>.

Source: Conceptual Analysis

The implementation of Law No. 33 of 2014 and Government Regulation No. 39 of 2021 is mandatory, but this places a real burden on MSMEs. For example, by mid-2024, among tens of millions of MSMEs in Indonesia, only around 44.4 million had successfully obtained halal certification, while the rest faced difficulties due to procedures, costs, and low halal literacy.<sup>51</sup> The mandatory self-declaration programme in Government Regulation 39 of 2021 offers a simple pathway. However, research in Banten shows that many MSMEs fail to take advantage of it due to a lack of socialisation and technical assistance. In addition, the dominance of BPJPH as the sole authority (Articles 5–12 of Law 33 of 2014) without effective coordination with MUI often causes overlapping authorities and confusion in implementation.<sup>52</sup>

Practical Policy Recommendations that can be given include 1) simplification of procedures and digitalisation, 2) subsidies and expansion of SEHATI, 3) improvement of literacy and technical assistance, and 4) harmonisation of BPJPH & MUI

First, to simplify procedures and digitalise, the development of the SIHALAL application and mobile platform needs to be expanded. The pilot project in Jember, which has successfully reduced the administrative burden on MSMEs, can be taken as an example.<sup>53</sup>

Second, regarding *Subsidies and Expansion of SEHATI*, the Free Halal Certificate (SEHATI) programme should be expanded to implement Articles 44–45 of Law Number 33 of 2014 on halal financing, thereby upholding the principle of *hijz al-māl*.<sup>54</sup>

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<sup>51</sup> Akmal Raden Rizki, “UMKM Belum Bersertifikat Halal 100%: Alur Yang Sulit? Biaya Yang Mahal? Atau Pengetahuan Yang Minim?,” *Kompasiana.Com*, 2024, <https://www.kompasiana.com/radenrizkiakmal3533/666815c9ed64154ff17c59c3/umkm-belum-bersertifikat-halal-100-alur-yang-sulit-biaya-yang-mahal-atau-pengetahuan-yang-minim>.

<sup>52</sup> Jamaluddin Jamaluddin et al., “The Problems of Implementing Halal Certification through the Self-Declaration Program for MSMEs in Indonesia: A Case Study,” *International Journal of Advances in Social and Economics* 4, no. 1 (2022): 30–36, <https://doi.org/10.33122/ijase.v4i1.221>.

<sup>53</sup> Muhimatul Umami, Shofwatun Nada, and Nur Lulu Anisa, “Implementation Halal Product Certification through Self-Declare Program for MSEs Products in Cirebon Regency,” *Journal of Community Service and Empowerment* 4, no. 2 (2023): 300–307, <https://doi.org/10.22219/jcse.v4i2.25058>.

<sup>54</sup> BPJPH, “Affirming MSEs, MORA\_ Tighten the Supervision on Self-Declare Halal Certification \_ Badan Penyelenggara Jaminan Produk Halal” (Jakarta, 2023),



Third, improvements in literacy and technical assistance involving collaboration between BPJPH, MUI, local governments, and universities must be prioritised, especially for independent declarations, so that they are not merely procedural.<sup>55</sup>

Fourth, in terms of harmonisation of BPJPH & MUI, halal certification needs to maintain the substantial authority of MUI fatwas (the dimension of *ḥifẓ al-dīn*), while BPJPH focuses on administrative efficiency and transparent supervision, as a state apparatus carrying out its functions in accordance with the laws and regulations applicable in Indonesia.

**Cases of Halal Certification Violations and their Resolution**

Halal certification violations occur when halal-labelled products fail to comply with Islamic dietary laws. These violations can include the use of prohibited ingredients, improper slaughter methods, contamination with non-halal substances, and fraudulent certification practices. The following table shows some notable cases and their resolutions from various countries:

**Table 1.** Halal Certification Violations In Some States

No.	Country	Type of Violation	Resolution/ Response	Additional Notes
1	Malaysia	Non-compliance with halal standards	Revocation of the halal certificate by the authority	Although being a systematic halal management system, the religiosity of producers is not always directly
		Use of unauthorise d materials	Regular audits and strict regulations	

<https://bpjph.halal.go.id/en/detail/affirming-ms-es-mora-tighten-the-supervision-on-self-declare-halal-certification?>; BPJH, “Halal Certification Obligation for SME Products Postponed, Minister of Religious Affairs: Government’s Concern for SMEs,” *Bpjph.Halal.Go.Id*, 2024, <https://bpjph.halal.go.id/en/detail/halal-certification-obligation-for-sme-products-postponed-minister-of-religious-affairs-form-of-government-s-alignment-concern-for-sm-es>.

<sup>55</sup> Jamaluddin et al., “The Problems of Implementing Halal Certification through the Self-Declaration Program for MSMEs in Indonesia: A Case Study.”

				proportional to compliance. <sup>56</sup>
2	<b>United States of America</b>	Fake halal certificate, Expired halal logo	Calling for the establishment of a unified national halal standard	Declining trust of Muslim consumers in certification bodies <sup>57</sup>
3	<b>European Union</b>	Weak law enforcement, conflicts between certification bodies and accreditation bodies	Demand for tightening regulations and increasing accreditation of certification bodies	Doubt among Muslim consumers about the authenticity of halal products due to weak regulatory authorities <sup>58</sup>

Source: Data processed from secondary data (international articles)

Table 1 explains the lack of unified global halal standards (Multiplicity of Standards), leading to inconsistency and confusion among consumers. Different countries and regions have varying standards and logos, which complicate the certification process and undermine consumer confidence.<sup>59</sup> Effective halal certification requires a strong regulatory framework, regular audits and consumer awareness initiatives. Countries with well-organised

<sup>56</sup>S A Baharuddin et al., “The Moderating Effect of Religiosity on Halal Certification among Food Manufacturers in Malaysia,” *International Journal of Supply Chain Management* 1, no. 3 (2021): 596–601, <https://doi.org/10.53955/jhcls.v1i3.16>.

<sup>57</sup>O A Al-Mahmood and A M Fraser, “Perceived Challenges in Implementing Halal Standards by Halal Certifying Bodies in the United States,” *PLoS ONE* 18, no. 8 August (2023), <https://doi.org/10.1371/journal.pone.0290774>.

<sup>58</sup>A Abdallah, “Has the Lack of a Unified Halal Standard Led to a Rise in Organised Crime in the Halal Certification Sector?,” *Forensic Sciences* 1, no. 3 (2021): 181–93, <https://doi.org/10.3390/forensicsci1030016>.

<sup>59</sup>O A Al-Mahmood et al., “Halal Certification and International Halal Standards,” in *PLoS ONE*, vol. 18, 2020, 227–51, <https://doi.org/10.1371/journal.pone.0290774>.

systems, such as Malaysia, tend to have fewer problems with non-compliance and fraud.<sup>60</sup>

Thus, the need for a universal halal standard-setting can help reduce the problems associated with varying standards and fraudulent practices. It will ensure that all halal products meet global minimum requirements.<sup>61</sup> This will strengthen global halal certification governance by implementing better regulatory frameworks, conducting regular audits, and enforcing standards rigorously.<sup>62</sup> Implementing the concept will increase consumer awareness of halal certification and the importance of assisting in identifying and reporting non-compliant products, thereby reducing fraud.<sup>63</sup> Essentially, while halal certification violations are a global problem, effective governance, unified standards, and consumer awareness are paramount in solving this challenge and ensuring the integrity of halal products.

Halal certification violations occur not only at the global level but also in Indonesia. International cases in Malaysia, the United States, and the European Union have revealed the use of fake certificates, the presence of non-halal ingredients, and weak supervisory authorities. The pattern is consistent with several findings in Indonesia, such as the discovery of imported products with halal logos that are not recognised by BPJPH or the use of unofficial halal labels in the domestic market. This shows that the issues of “diversity of standards” and weak inter-agency coordination are global problems that are also common domestically. In the Indonesian context, Law No. 33 of 2014 and Government Regulation No. 39 of 2021 regulate halal governance more systematically through certification requirements and the confirmation of BPJPH's authority. However, the implementation still faces obstacles in terms of costs, bureaucracy, and the limited number of halal auditors, rendering the effectiveness of Muslim consumer protection suboptimal.

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<sup>60</sup>M A Latif et al., “The Problems of Halal Certification Regarding Consumer Protection in Malaysia and Indonesia,” in *Halal and Kosher Food: Integration of Quality and Safety for Global Market Trends*, vol. 1, 2021, 205–26, <https://doi.org/10.53955/jhcls.v1i3.16>.

<sup>61</sup>Al-Mahmood and Fraser, “Perceived Challenges in Implementing Halal Standards by Halal Certifying Bodies in the United States.”

<sup>62</sup>R Sofiana et al., “Has the Lack of a Unified Halal Standard Led to a Rise in Organised Crime in the Halal Certification Sector?,” *Forensic Sciences* 1, no. 3 (2021): 180–93, <https://doi.org/10.53955/jhcls.v1i3.16>.

<sup>63</sup>O A Osman, “Fraud on Halal Food: Principles, Quality Challenges, and Safety Concerns,” in *Halal and Kosher Food: Integration of Quality and Safety for Global Market Trends*, 2023, 131–44, [https://doi.org/10.1007/978-3-031-41459-6\\_11](https://doi.org/10.1007/978-3-031-41459-6_11).

The international legal framework can strengthen Indonesia's argument in regulating the halal certification system. The WTO–TBT Agreement requires that technical regulations, including halal labelling, not trigger unnecessary trade barriers, but without overlooking the “public morality” exception that Indonesia can use to defend mandatory halal certification as part of protecting religious values.<sup>64</sup> In addition, international halal standards published by the OIC/SMIIC (e.g., OIC/SMIIC 1–3 and 17–18) provide a framework for uniformity that can be adopted in Indonesian regulations to strengthen international legitimacy.<sup>65</sup> At the regional level, ASEAN is developing a Single ASEAN Halal Standard, which, if integrated with Law No. 33 of 2014 and Government Regulation No. 39 of 2021, will reinforce the competitiveness of Indonesian products in the regional market.<sup>66</sup> The principles in the SPS Agreement and the Codex Alimentarius guidelines also provide a basis for halal food safety regulations, enabling Indonesia to link halal aspects with international food safety standards.<sup>67</sup>

Based on this framework, Indonesia can take several strategic steps. First, Indonesia can integrate SMIIC standards into the SNI and the BPJPH system to ensure that the country's halal products are more readily accepted in the global market. Second, Indonesia can strengthen its diplomacy at the WTO by affirming mandatory halal certification as a legally valid public moral policy under international law. Third, expanding mutual recognition agreements (MRAs) with halal-exporting countries, in accordance with Government Regulation 39 of 2021, can also be considered to facilitate trade flows while maintaining legal certainty. Fourth, increasing domestic supervision by combining the authority of BPJPH and MUI fatwas is also essential to ensuring harmonious administrative and Sharia aspects. With this combination of national and international approaches, Indonesia's halal system can become more credible, efficient, and consistent with *maqāṣid al-*

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<sup>64</sup> Legal Affairs Division, World Trade Organization, “Agreement on Technical Barriers to Trade,” *WTO Analytical Index*, 2017, <https://doi.org/10.1017/cbo9781139177955.008>.

<sup>65</sup> The Standards and Metrology Institute for Islamic Countries, “SMIIC - Announcement,” 2025, <https://www.smiic.org/en/content/573>.

<sup>66</sup> Humas BSN, “BSN - Badan Standardisasi Nasional - National Standardization Agency of Indonesia - Setting the Standard in Indonesia ISO SNI WTO,” 2023, [http://bsn.go.id/main/bsn/isi\\_bsn/5](http://bsn.go.id/main/bsn/isi_bsn/5).

<sup>67</sup> Rüdiger Wolfrum, Peter-Tobias Stoll, and Anja Seibert-Fohr, “Agreement on the Application of Sanitary and Phytosanitary Measures,” *WTO - Technical Barriers and SPS Measures*, 2009, <https://doi.org/10.1163/ej.9789004145641.i-565.41>.

*shari'ah* in protecting *ḥifẓ al-dīn* (religion), *ḥifẓ al-māl* (property), and consumer safety.

### **Problems of Halal Certification in Indonesia (2020-2025): A Critical Study of Cases, Types, and Implications**

Following the enactment of Law No. 33 of 2014 concerning Halal Product Guarantee, every product that enters, circulates, and is traded in Indonesia must be halal-certified, unless it is declared not mandatory. Halal certification is carried out through a process involving business actors, Halal Examining Institutions (LPH), the Indonesian Ulama Council (MUI)<sup>68</sup>, and the Halal Product Guarantee Organising Agency (BPJPH). The BPJPH is tasked with regulating the registration, examination, determination, and supervision of halal products.<sup>69</sup> This law requires the use of raw materials and production processes that comply with halal standards. Business actors who violate are subject to administrative sanctions, up to and including certificate revocation. In addition to guaranteeing the rights of Muslim consumers, this law also strengthens the national halal information disclosure and supervision system and supports Indonesia's strategic position in the global halal industry. Indonesia is entering a new phase in the national halal product assurance system.<sup>70</sup>

A significant milestone occurred on October 17, 2024, marking the comprehensive implementation of the halal certification obligation for food

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<sup>68</sup> The fatwas of the Indonesian Ulema Council (MUI) which are the basis for halal certification cover various important aspects related to product halalness. MUI Fatwas No. 1 of 2003 and No. 2 of 2003 establish the basic standards and principles of halal certification, including materials, processes, and responsibilities of business actors. Fatwa No. 4 of 2003 specifically regulates the procedures for slaughtering animals according to Islamic law, while Fatwa No. 12 of 2009 clarifies halal standards for food and beverages, including additives and cleanliness of production equipment. In addition, Fatwa No. 17 of 2003 provides guidance on genetically modified products (GMOs) and their halal status. All of these fatwas serve as normative references in ensuring the integrity of halal products certified in Indonesia.

<sup>69</sup> BPJPH Kementerian Agama RI, *Perkembangan Sertifikasi Halal Dan Peran Fatwa MUI Dalam Proses Penetapan Kehalalan*. (Jakarta: Kementerian Agama RI, 2020).

<sup>70</sup> Saeful Amin, "Perlindungan Hukum Bagi Konsumen Muslim Terhadap Produk Pangan Yang Tidak Bersertifikat Halal Menurut Undang-Undang Nomor 33 Tahun 2014 Tentang Jaminan Produk Halal" (Universitas Islam Sultan Agung Semarang, 2022).

and beverage products.<sup>71</sup> This implementation cannot be separated from the various dynamics and problems that have emerged during the 2020-2025 period, including technical, regulatory, and ethical issues. These issues raise profound questions about the credibility and substance of halal certification in a religious and consumptive society.

One of the most prominent cases is the use of controversial product names that still pass halal certification. In 2024, at least 151 products were found with names such as “tuak,” “beer,” and “wine,” even though their content does not contain haram elements. This violates MUI Fatwa No. 44 of 2020, which prohibits the use of names or symbols that could mislead consumers’ perception of a product’s halal status.<sup>72</sup> Similarly, in 2023, products named “Mie Setan,” “Mie Hell,” and “Seblak Jahanam” were labelled halal, triggering public criticism for contradicting the religious ethics behind halal labelling.<sup>73</sup>

Another case, allegations of illegal levies (extortion) in the processing of halal certificates, which is no less serious, concerns the integrity of the administrative process. A national culinary business owner in 2025 claimed that certain individuals had asked for billions of rupiah to expedite the halal certification process. This statement elicited a strong public response, triggering a polemic between the Halal Product Guarantee Agency (BPJPH) and the Halal Examining Agency (LPH), with each agency shifting responsibility to the other.<sup>74</sup> This case raises questions about poor internal supervision and transparency in the halal certification bureaucracy.

Concerns were also raised when some halal-labelled products were found to contain elements prohibited by Sharia. In April 2025, the Executive Board of Nahdlatul Ulama (PBNU) expressed concern about the discovery of halal food suspected of containing pork. The Chairman of PBNU, Yahya Cholil Staquf, demanded a thorough evaluation of the certification mechanism to avoid harassment of the meaning of halal itself.<sup>75</sup> Meanwhile, on a technical level, many products fail to obtain halal certification due to the use of uncertified animal-derived ingredients and cross-contamination during production. For example, the case of PT Sari Rasa, which used glycerine from

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<sup>71</sup>Alfida Miftah Farhana, “Kewenangan BPJPH Dan MUI Dalam Sertifikasi Halal Berdasarkan Undang-Undang Nomor 33 Tahun 2014 (UU-JPH).” (Fakultas Syariah dan Hukum Universitas Islam Negeri Syarif Hidayatullah Jakarta, 2019).

<sup>72</sup>BPJPH-MUI, “Masalah Nama Produk Bersertifikat Halal” (Kemenag.go.id, 2024).

<sup>73</sup>A. Maharani, “Makanan Nama Setan Lolos Sertifikasi Halal” (Hidayatullah.com, 2023).

<sup>74</sup>MUI, “Klaim Pungli Sertifikasi Halal” (mui.or.id, 2025).

<sup>75</sup>PBNU, “Produk Halal Mengandung Babi” (Detik.com, 2025).

cowhide tannery waste, led to a massive withdrawal of its products from the market.<sup>76</sup>

On the other hand, the tension between national and international halal standards has also been highlighted. In 2023, BPJPH withdrew 12 US supplement brands worth IDR 120 billion from circulation for containing carmine (E120), a red dye derived from insects. Although the products had halal certificates issued in their country of origin, BPJPH still rejected them on grounds of non-conformity with Indonesian standards.<sup>77</sup> This incident illustrates the importance of national halal sovereignty and the need for global harmonisation in determining halal standards.

No less important, criticism came from academics, such as Kaswar Syamsul (IPB), who highlighted the weak supervision of the halal assurance system after the Omnibus Law. The elimination of the validity period for halal certificates is expected to relax oversight of the post-certification production process, as external audits will no longer be required periodically. He believes that it increases the risk of circulating halal products that no longer meet Sharia criteria on an ongoing basis.<sup>78</sup>

Indonesia faces issues in its halal certification governance. Although the Omnibus Law 2020 aims to improve the certification process, the constitutionality of the law is suspended, leading to uncertainty in governance.<sup>79</sup> This impacts the effectiveness of halal certification in the country. Despite these problems, businesses like Zulaikha's in North Sumatra have benefited significantly from halal certification, which has increased consumer confidence and sales. However, obtaining and maintaining certification remains challenging for many business owners.<sup>80</sup>

Law No. 33 of 2014 concerning Halal Product Guarantee (JPH Law) stipulates that every product that enters, circulates, and is traded in Indonesia must be halal-certified (Article 4), except those declared not mandatory. This obligation is reinforced by Government Regulation No. 39 of 2021, which confirms the roles of the BPJPH, MUI, and LPH in the certification process. However, since October 17, 2024, full implementation has revealed various

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<sup>76</sup>A Sudrajat, "Produk Gagal Sertifikasi Halal" (Kompasiana.com, 2024).

<sup>77</sup>Sudrajat.

<sup>78</sup>K. Syamsu, "Kritik Sistem Sertifikasi Halal" (Detik.com, 2025).

<sup>79</sup>R Sofiana, S Utama, and A Rohim, "The Problems of Halal Certification Regarding Consumer Protection in Malaysia and Indonesia," *Journal of Human Rights, Culture and Legal System* 1, no. 3 (2021): 180–93, <https://doi.org/10.53955/jhcls.v1i3.16>.

<sup>80</sup>Rafiki, "Impact, Perception and Challenges Due to Halal Certification: The Case of Zulaikha Shop."



structural problems. Products with names such as “beer,” “tuak,” or “Mie Setan” were granted halal certificates, clearly contradicting MUI Fatwa No. 4/2003 on Halal Product Standards and MUI Fatwa No. 44/2020, which prohibits names and symbols that mislead consumer perception. This indicates the weak implementation of Article 25 of the JPH Law concerning the clarity of ingredients and processes, as product naming is not considered part of halal consumer protection.

Allegations of illegal fees in halal certification in 2025 indicate a deviation from the transparency principle mandated by Article 41 of the JPH Law, which requires information disclosure in public services. The unclear division of authority between BPJPH and LPH in this case also raises questions about the implementation of Articles 5–12 of the JPH Law, which places BPJPH as the sole authority but still heavily relies on MUI fatwas. Similarly, the discovery of halal products containing pork reveals weaknesses in post-certification supervision, especially after the Omnibus Law removed the requirement for halal certificates to have a validity period, thereby contradicting the spirit of *ḥifẓ al-dīn* and *ḥifẓ al-māl* in *maqāṣid al-sharī‘ah*.

The tension between international and national halal standards, as seen in the withdrawal of 12 imported supplement brands that use carmine (E120), underscores the firmness of Article 33 of the JPH Law, which designates Indonesian halal standards as the primary reference. However, this step by BPJPH also raises questions about global harmonisation, given that these products have been granted halal certificates from their countries of origin. This situation emphasises the need to strengthen the mutual recognition agreement (MRA) mechanism as stipulated in Article 48 of the JPH Law to ensure that national halal sovereignty is maintained without hindering international trade.

Thus, cases from 2020 to 2025 reveal a gap between the legal norms in the JPH Law and MUI fatwas, and their implementation in practice. The regulations have provided a sufficient basis, but weak consistency, transparency, and oversight mechanisms have prevented the goals of halal certification, as protection for Muslim consumers and strengthening the national halal industry from being fully achieved. Reform is needed, both through revisions to derivative regulations to allow for more explicit regulation of product names, strengthening post-certification audit mechanisms, and supervising the bureaucracy to ensure compliance with the principles of justice and legal certainty.

### Analysis of Halal Certification Cases Based on Maqāṣid al-Shari'ah and Islamic Economic Ethics

Cases in the halal certification process in Indonesia and in other countries, such as Malaysia, America, and the European Union, indicate a disorientation between the normative objectives of halalness and its implementation in bureaucratic and market practices. To understand and critique this problem in depth, *maqāṣid al-syarī'ah* and Islamic economic ethics can be used. The *maqāṣid al-syarī'ah* approach, which preserves the spirit of Sharia in certification, classically formulated by al-Shāṭibī and reformulated by Jasser Auda, contextually places halal certification not only as an administrative procedure, but also as an instrument to maintain the basic values of Sharia *ḥifẓ al-dīn* (religion), *ḥifẓ al-nafs* (soul), and *ḥifẓ al-māl* (property).<sup>81</sup> In this context, some cases, such as halal labelling of products with names like "halal tuak" or "hell noodles", have symbolically undermined the value of *ḥifẓ al-dīn*<sup>82</sup> because they create ambiguity about the sanctity of Islamic symbols.<sup>83</sup> If halal becomes merely 'branding' without considering its spiritual value, then the essence of *maqāṣid* becomes eroded. Other cases, such as the discovery of halal products containing haram elements, such as alleged pork in halal-certified food,<sup>84</sup> represent a direct violation of the principles of *ḥifẓ al-nafs*<sup>85</sup> and *ḥifẓ al-dīn*.<sup>86</sup> This is where Jasser Auda's approach is essential; it asserts that *maqāṣid* must be read contextually, not rigidly. Auda proposes

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<sup>81</sup>Jasser Auda, *Maqasid Al-Shariah as Philosophy of Islamic Law (Bosnian Language): A Systems Approach* (International Institute of Islamic Thought (IIIT), 2017).

<sup>82</sup> *ḥifẓ al-dīn* (protecting religion) within the framework of *maqāṣid al-sharī'ah*, according to Jasser Auda, is not only narrowly interpreted as formal ritual obligations such as prayer or fasting, but also as protection of religious freedom, correct understanding of faith, and individual rights to live in accordance with Islamic values as a whole. Thus, the halal certification process and system is not just an administrative or technical mechanism; it is a collective effort to protect Muslims, thereby allowing them to practice their religion appropriately and fully.

<sup>83</sup>BPJPH-MUI, "Masalah Nama Produk Bersertifikat Halal."

<sup>84</sup>PBNU, "Produk Halal Mengandung Babi."

<sup>85</sup> Auda interprets *ḥifẓ al-nafs* not only as the physical protection of life, but includes broader dimensions, including aspects of human dignity, personal security, mental and physical health, and freedom from oppression or structural violence.

<sup>86</sup>Jasser Auda, *Maqāṣid Syarī'ah Sebagai Filsafat Hukum Islam: Pendekatan Sistem, Dalam M.Arfan Mu'ammār Dan Abdul Wabid Hasan, Dkk. Studi Islam Perspektif Orang Dalam/Orang Luar* (Yogyakarta: IRCiSoD, 2012).

that *maqāṣid* is not only a legal goal, but also a living principle of social and moral development. So, if the halal certification system fails to maintain public trust and protect consumers from haram goods, it needs to be evaluated at its epistemological roots.

In Islamic Economic Ethics, halal certification serves as an instrument of social piety. In the framework of Islamic economic ethics initiated by M. Umer Chapra and Monzer Kahf, economics carries considerable values and cannot be separated from Islamic moral principles, such as justice, honesty, and trustworthiness.<sup>87</sup> The case of illegal levies in the process of accelerating halal certification<sup>88</sup> directly contradicts the principles of trust and justice. This practice shows that when the halal mechanism is exercised without ethical commitment, it becomes an instrument of commodification and moral corruption.

Furthermore, the reduction of the meaning of halal to mere "market access" is evident in the number of products that pursue the halal label as a means of market penetration, without reflecting social responsibility. In Chapra's perspective, economic activity should be directed towards realising social welfare and the distribution of justice.<sup>89</sup> Thus, the misuse of the halal label for commercial gain is a form of betrayal of the spirit of the Islamic economic system itself. In this context, halal certification that is processed without ethics carries no value, since it only touches the surface layer of legal-formal compliance, without extending to the depth of spiritual and social responsibility. So, there needs to be integration between the national halal system and the development of business actors' moral values. This is an effort to ensure that the halal label is not merely "legal" but also "ethical".

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<sup>87</sup>M. Umer Chapra, "Is It Necessary to Have Islamic Economics?," *Journal of Socio-Economics* 29, no. 1 (2000): 21–37, [https://doi.org/10.1016/S1053-5357\(00\)00051-2](https://doi.org/10.1016/S1053-5357(00)00051-2).

<sup>88</sup>MUI, "Klaim Pungli Sertifikasi Halal."

<sup>89</sup>Muhammad Umer Chapra, "The Islamic Vision of Development in the Light of Maqāṣid Al-Sharī 'Ah," *Islamic Research and Training Institute Islamic Development Bank Jeddah*, DOI 10 (2008).

**Table 2.** Case Analysis Matrix: Linking Violations, *Maqāṣid*, Ethics, and Regulatory Gaps

No	Case/ Violation	<i>Maqāṣid al-Sharī'ah</i> Violated	Islamic Economic Ethics Violated	Regulatory/ Fatwa Gap
1	Misleading product names (“ <i>halal tuak</i> ”, “ <i>hell noodles</i> ”)	<i>ḥifẓ al-dīn</i> (protection of faith)	Truthfulness, respect for symbols	Weak enforcement of the MUI fatwa on ethical labelling
2	Halal-certified products later found with pork/DNA content	<i>ḥifẓ al-dīn, ḥifẓ al-nafs</i> (protection of faith and life)	Consumer trust, honesty	Insufficient monitoring and lab testing mechanisms
3	Illegal levies in the certification process	<i>ḥifẓ al-māl</i> (protection of wealth)	Justice, trustworthiness	Weak oversight and accountability in the certification bureaucracy
4	Commodification of halal solely for market access	<i>ḥifẓ al-dīn, ḥifẓ al-māl</i>	Social justice, sincerity	Lack of integration of ethical standards into halal regulations

Source: Data processed from secondary data (Media and articles)

Table 2 explains that both *maqāṣid al-sharī'ah* and Islamic economic ethics reject halal certification as a mere administrative formality or marketing tool. This matrix shows how violations in practice simultaneously undermine the spiritual objectives of Sharia, weaken moral and economic principles, and create loopholes in national regulations and in fatwa enforcement. Therefore, systemic reform is needed, which includes strengthening monitoring agencies (BPJPH and LPPOM-MUI), integrating ethics education for business actors, and harmonising Indonesian halal regulations with international standards (e.g., OIC/SMIIC guidelines) to maintain integrity and restore public trust.

### Implication of the Duality of Halal Certification Function

In recent decades, the halal industry has experienced rapid growth, becoming a multi-billion-dollar sector of the global economy. Behind this expansion, crucial questions arise regarding the proper function of halal certification: is it an authentic manifestation of faith or simply an economic ploy wrapped in religious imagery? This duality of function shows the tension between the spiritual idealism promoted by Sharia and the pragmatic reality dictated by the market. Halal certification, which was initially intended as a guarantee of purity and compliance with Islamic law, now faces serious challenges in maintaining its integrity amid the commodification of religion. The fundamental question also arises: Is halal certification still an instrument for protecting Islamic values, or has it shifted to become just a marketing tool? First, implementation of faith (spiritual imperative), based on the *maqāṣid al-syari'ah* approach, halal certification should be a form of implementation of faith to protect *ḥifẓ al-dīn* (religion), *ḥifẓ al-naḥs* (soul), and *ḥifẓ al-māl* (property). The halal label is not just a symbol; it is part of the process of spiritualising consumption. The halal status of a product should reflect adherence to ethical principles, not merely administrative legal compliance. If this is seriously implemented, the halal industry will become a place for the realisation of Islamic values in daily practice.

Second, economic instrumentalization, the ethical approach of Islamic economics reminds us that without ethical awareness, halal can turn into a manipulative means of achieving commercial gains, disguised as a religious image. Many findings show that halal certification is used as a branding strategy, with a tendency to place halal standards as a marketing tool, not a religious mission. This phenomenon occurs because market logic is not congruent with the ethical and moral awareness of business actors and regulators. So that Halal certification is in "Between Spirituality and Commodification" which shows the reality that the two do not negate each other, but the problem lies in the dominance of economic motives without strengthening spiritual ethics. Halal certification, which should protect Muslim consumers from *shubhat* products, can be misleading when its process overlooks integrity.

### Participatory Halal Governance: Epistemological Basis and Operational Framework for Halal Certification

Participatory Halal Theory was developed in response to the tendency toward commercialisation in the halal industry, which reduces halal to a mere formal label. Its theoretical basis departs from Islamic epistemology, as

developed by Syed Muhammad Naquib al-Attas and Ismail Raji al-Faruqi, asserting that science and policy in Islam cannot be separated from the goals of *ta'dib* (moral formation) and *tawhīd* (unity of values). Therefore, the halalness of a product is not just a legal status, but part of a value system that must reflect the manners, morals, and spiritual integrity of Muslims.<sup>90</sup>

First, contextual *maqāṣid al-Sharī'ah* as a critical approach. This theoretical dimension is drawn from Jasser Auda's thoughts on *maqāṣid al-syarī'ah*, grounded in systems theory. Auda criticises traditional approaches that are too textual and unresponsive to the changing times. He proposes *maqāṣid* as a dynamic framework that allows for public involvement, openness of process, and *maslahah*-based decision-making. In the context of halal status, this approach positions people as active subjects in the monitoring and verification of halal status, rather than merely as objects of the certification authority.<sup>91</sup>

Second, Islamic economic ethics as the moral dimension of halal. The theory strengthens its moral dimension by drawing on the views of M. Umer Chapra and Monzer Kahf on Islamic economic ethics. Chapra states that Islamic economics cannot be morally neutral; it must promote social welfare, justice and compassion. In the context of halal certification, these values demand honesty, transparency and social responsibility from business actors and authoritative institutions. Halal certification should not be misused as a political commodity or a tool of religious capitalisation.<sup>92</sup>

Third, inspiration from Islamic models of social participation. Some of the inspiration for this theory is also drawn from participatory practices in social waqf management and community-based Islamic auditing. In some countries, such as Malaysia and Turkey, public involvement in the supervision of social funds is an essential model for realising distributional justice in the Islamic financial system. A similar concept can be adapted in the halal system

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<sup>90</sup>Syed M. Naquib al-Attas, *Islam and Secularism* (Kuala Lumpur: ISTAC, 1993); Isma'il R Al-Faruqi, *Islamization of Knowledge: General Principles and Work Plan* (International Institute of Islamic Thought, 1987).

<sup>91</sup>Auda, *Maqasid Al-Shariah as Philosophy of Islamic Law (Bosnian Language): A Systems Approach*.

<sup>92</sup>Chapra, "The Islamic Vision of Development in the Light of Maqāṣid Al-Sharī 'Ah"; Kahf, "Innovation and Risk Management in Islamic Finance: Shari'ah Considerations."

to encourage people's involvement in product supervision and open distribution of halal information.<sup>93</sup>

Fourth, the participatory halal framework is based on the theory of participatory governance in public administration. In this approach, policy processes that concern the lives of the wider community require the active involvement of stakeholders, including civil society, consumers and producers. Fung and Wright refer to this approach as "empowered participatory governance", in which policy legitimacy is achieved through community involvement in decision-making.<sup>94</sup> The Participatory Halal Framework, based on "empowered participatory governance", presupposes that religious authorities and state institutions are entitled to determine halal standards and must allow for deliberation that involves the community. In this context, consumers act as guardians of product moral integrity, producers as technical implementers of halal standards, and civil society as independent supervisors of the transparency and accountability of the certification process. By involving various actors equally, the halal certification process can serve as an administrative procedure, functioning as a public ethics forum that reflects the principles of distributive justice and protection of *ḥifẓ al-nafs*, as highlighted in the framework of contemporary *maqāṣid al-sharī'ah*.

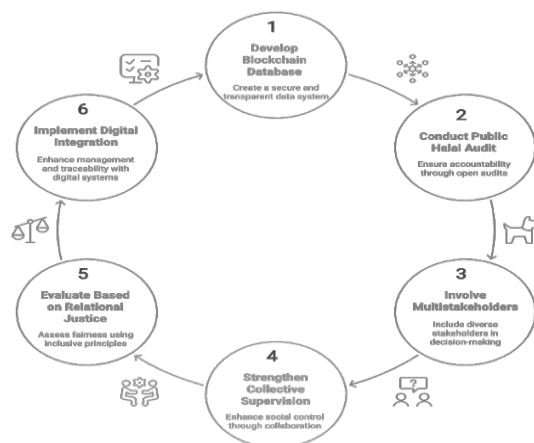
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<sup>93</sup>Fares Djafri, Mohamad Akram Laldin, and Abdelkader Laallam, "The Global Perspective of Islamic Finance and the Potential for China to Tap into the Islamic Finance Market," *Journal of Islamic Business and Management (JIBM)* 11, no. 01 (2021): 14–28, <https://doi.org/10.26501/jibm/2021.1101-002>.

<sup>94</sup>Chris Ansell et al., "Deepening Democracy: Innovations in Empowered Participatory Governance," *Public Administration and Development* 30, no. 1 (2010): 5–13.



**Figure 1.** Halal Certification Integrity Cycle



Source: Napkin AI data processing

Based on the above fundamentals, the following is the operational framework of the Participatory Halal Theory. First, in terms of openness and transparency, developing a blockchain-based "Halal Open Database" system is essential to recording the entire certification process, from raw materials to distribution. Second, the public halal audit obligation is carried out annually by an independent institution, with the results published and publicly accessible. Third, Multistakeholder engagement consists of 1) the establishment of a "Community Halal Council at the local level, comprising representatives of consumers, businesses, scholars, and experts in *fiqh mu'amalah*; and 2) regular deliberation forums involving BPJPH, MUI, and consumer associations to discuss ethical issues and conflicts of interest in certification. Fourth, Collective supervision (Ummah-Based Verification) consists of 1) granting "complaint-based verification" rights to the public to report doubts about the halal status of a product; and 2) community education through halal literacy curriculum in schools and *pesantren* (Islamic boarding schools). Fifth, Assessment Based on Relational Justice includes 1) certification audits that cover aspects of fairness in business relations, such as labour wages, environmental sustainability, and anti-monopoly; and 2) Halal Etic Plus scheme as an advanced certification standard for businesses that fulfil the social-spiritual dimension. Sixth, the Digital integration and accountability system involves 1) a digital application with a QR code on each

halal certification report is presented to the public and can be independently audited by a public body.

### **Integrating Participatory Halal Governance into Indonesia's Legal Framework**

Incorporating Participatory Halal Governance into Law No. 33 of 2014 concerning Halal Product Guarantee involves strengthening the principles and expanding the scope of public participation. Article 4 of the JPH Law emphasises the principles of legal certainty, accountability, and transparency, without explicitly mentioning public involvement. In this context, the Participatory Halal Governance can be incorporated by expanding the principles to also include openness and public participation. Additionally, Article 60 of the JPH Law actually opens up opportunities for public involvement in the implementation of JPH, but so far, its implementation has been limited to socialisation. With the Participatory Halal Governance approach, this article can be expanded to include collective supervision, public halal audits, and complaint-based verification. Meanwhile, Article 14 concerning the Halal Inspection Agency (LPH) can be enriched by placing the Community Halal Council as a partner of the LPH, thereby ensuring that supervision is not only formal and bureaucratic but also community-based.

At the operational level, Government Regulation No. 39 of 2021 concerning the Implementation of JPH is a strategic instrument for integrating Participatory Halal Governance principles. Articles 3–6, which regulate the functions of BPJPH, can be expanded with the obligation to manage a blockchain-based Halal Open Database so that the public can trace the entire certification process. Furthermore, Articles 59–61 concerning the supervision mechanism can be strengthened by requiring annual public halal audits conducted by independent institutions, with the results published openly. Articles 140–142 concerning certification can also be enhanced with a mechanism for verifying public complaints, so that reports of alleged halal violations can serve as a basis for evaluating or revoking certificates. Thus, Government Regulation No. 39 of 2021 can function as a normative umbrella to operationalise Participatory Halal Governance principles in concrete terms.

Meanwhile, at the technical level, the BPJPH Regulation offers the most flexible opportunity for adopting Participatory Halal Governance in detail. For example, regulations on Halal Certification Procedures can be expanded to require the involvement of civil society representatives in overseeing the certification process. The JPH Information System (SIHALAL) can also be developed into a Halal Open Database, enabling the public to trace raw

materials, production processes, and halal product audit results in real time. In addition, BPJPH can issue a certification scheme called Halal Etic Plus, a halal certification with advanced standards that cover labour justice, environmental sustainability, and anti-monopoly. Strengthening at the technical regulation level can help implement the Participatory Halal Governance principle without waiting for a revision of the law.

Through this approach, Participatory Halal Governance does not require the formulation of new laws; instead, it can be integrated by expanding the principles, strengthening the articles on participation, and clarifying the existing public oversight mechanisms in the JPH Law. The principle of *lex specialis derogat lex generalis* provides space for government regulations and BPJPH Regulations to become a means of operating the values of participation, transparency, and accountability at the core of *maqāṣid al-shari'ah*. Thus, Participatory Halal Governance can be ensured to be legally feasible and relevant in responding to the problems of commercialisation and bureaucratisation of halal certification in Indonesia.

The Participatory Halal Theory is not merely a matter of technical governance in halal certification, but rather a normative and practical approach to ensure that the certification process truly upholds the principles of *maqāṣid al-shari'ah*. By placing *ḥifẓ al-dīn* (protection of religion), *ḥifẓ al-nafs* (protection of life/consumer health), and *ḥifẓ al-māl* (protection of property/community economy) as its main foundations, Participatory Halal Governance goes beyond mere legal formalities and bureaucracy.

By integrating Islamic epistemology, contextual *maqāṣid*, Islamic economic ethics, and community participation, Participatory Halal Governance offers a new direction that is more just, accountable, and in line with holistic Islamic principles. Thus, not only does this theory serve as a governance mechanism, but it also guarantees value and substance, ensuring that halal certification is not reduced to merely an administrative or market branding instrument. Such certification must safeguard the welfare of the ummah.

## Conclusion

The interplay between spirituality and economics in halal certification reveals that it cannot merely be viewed as a tension between worship and the market. Rather, halal certification serves as a dual instrument-preserving *ḥifẓ al-dīn* as a manifestation of faith while simultaneously operating within global economic mechanisms. The key challenge lies in maintaining the sanctity of its religious purpose amid growing commercialisation, which risks eroding public trust and undermining the legitimacy of halal authorities. In the Indonesian context, this dynamic underscores the urgency of reforming halal governance to restore credibility and align institutional practices with both market demands and the ethical-spiritual principles of *maqāṣid al-sharīʿah*.

To achieve an effective balance between spiritual integrity and economic efficiency, halal governance reform in Indonesia should prioritise participatory legal and institutional mechanisms. The implementation of the Participatory Halal Governance model can begin by revising core provisions of the JPH Law establishing an independent community-based supervisory body (Article 12), broadening the fatwa deliberation process to include multiple stakeholders (Article 32), and ensuring transparency through digital public reporting obligations (Article 48). Furthermore, Government Regulation No. 39 of 2021 should be refined to require annual participatory audits and the use of advanced technologies such as blockchain and QR codes for product traceability. These measures will enhance transparency, accountability, and public trust, enabling Indonesia's halal industry to thrive as both a spiritually grounded and globally competitive sector.

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