HALAL CERTIFICATION IN INDONESIA:
Study of Law Number 6 of 2023 on Job Creation

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Abstract
The enactment of the Job Creation Law in approval of Government Regulation in Lieu of Law No. 2 of 2022, which became Law No. 6 of 2023 on Job Creation, has resulted in significant changes in halal certification in Indonesia, which is the main focus of this research. This study aims to discuss halal certification in Indonesia following the implementation of the omnibus law on job creation. The author adopts a standardized legal approach and a descriptive-analytical approach through literature research. The research findings indicate that comprehensive legislation is expected to streamline the halal certification process in Indonesia. There are important changes regarding halal certification in Law No. 6 of 2023 compared to Law No. 11 of 2020 on Job Creation. This regulation aims to accelerate and enhance efficiency in halal certification, ensuring legal certainty and fostering trust among Muslim consumers in halal products. The growth of micro-enterprises in terms of expediting halal certification shows positive trends. The research contributes new perspectives and original findings that positively impact problem-solving or theory development in the advancement of halal certification in Indonesia.

Lahirnya UU Cipta Kerja sebagai pengesahan Peraturan Pemerintah Pengganti Undang-Undang Nomor 2 Tahun 2022 menjadi Undang-Undang Nomor 6 Tahun 2023 tentang Cipta Kerja telah menghasilkan perubahan signifikan dalam

Keywords: Halal Certification, Halal Product, Job Creation, Omnibus Law

Introduction

Halal certification of products is a mandatory requirement for every business actor and the issue of halal certification has received international attention in both Muslim and non-Muslim countries. Halal products and services had attracted great interest from the local and international communities. This is not only related to its medically healthy composition but also to the food that must be healthy and halal.

Indonesia is a very large Muslim consumer market, so ensuring product halalness and halal certification is important and must be a concern of the state. Halal certification in Indonesia is regulated by Law Number 33 of 2014. The birth of this law is a form of internalizing sharia values in national law. On the one hand, its existence reflects the pattern of Islamization of national law. On the other hand, its existence reflects the pattern of Islamization of national law. On the other hand, it reflects the pattern of nationalization of Islamic

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law. The issuance of Law Number 33 of 2014 requires the state to perform a substantive function of the value of Islam related to the halal principle in Islam, shifting from voluntary action to mandatory implementation of halal product guarantees. Issuance of Law No. 31 of 2019 regulating the executive regulations of Law No. 33 of 2014 regarding guaranteed halal products shows the existence of BPJPH in carrying out its duties and functions as one of the Halal Product Assurance Organizing Bodies under the Ministry of Religious Affairs.

The importance of halal food products is undeniable, especially considering the increasing number of food packaging products that come from other countries, especially those populated by non-Muslims. The doctrine of halal food must be informed to business actors and the people of Indonesia. Therefore, halal certification on food and beverages is mandatory. To make it easier for the public to see halal packaged food products being marketed, the halal label on the product is one solution. On the other hand, increasing public awareness of halal products is not in line with the actions of commercial actors in providing correct product information or managing the halal certification of production and halal labels on packaging. It is important for Muslims to always pay attention to the products they consume to ensure their halal status. The concept of halal certification is currently not only offered and intended by Muslims, but it is also a concern for non-Muslims which is currently emerging as a global issue. For this reason, the government must be able to organize Indonesia as a qualified center of the Sharia economy in the world.


Along with the massive industrial competition in the country, many large industrial opportunities have emerged due to variations in product demand and consumerization lifestyles among the people. It is undeniable that millennial businesses are also competing to take this opportunity. Some businesses in culinary, fashion, cosmetics, creative industries, and services are attracting more millennials. Referring to the context of regulations and economic development policies, halal-based industries are being intensified. This means that all businesses must understand halal standards including the obligation of halal certification.\textsuperscript{11}

Along with the advancement of food technology, products processed with this technology are also widespread in parts of the Islamic world. Muslims often do not recognize the raw materials that make these products simply because they are imported, such as canned packaging, and non-consumer goods such as bags made of animals which are forbidden without labeling the composition of the raw materials of which the products are made.\textsuperscript{12} The halalness of food and beverage products should not be ignored by business actors.\textsuperscript{13} Information about the content of food products as well as information about halal products become food standards before they are distributed to the public.\textsuperscript{14} Halal certification is a market need for Muslim consumers.\textsuperscript{15} Certificates and labels on food products have served as a measurement and control tool.\textsuperscript{16}

Providing halal food is a very prospective business because halal certification and labels can invite loyal customers from Muslim and non-Muslim communities. On the other hand, for producers who do not provide halal information and market their products in a country like Indonesia with a Muslim-majority population,


the loss is detrimental to the business actors themselves.\textsuperscript{17}

Omnibus law is a method used to replace and/or revoke or rearrange several provisions regulated in one statutory regulation into one statutory regulation. The regulation was made by the government to create as many job opportunities as possible and provide legal certainty that is certainly equal to all Indonesian people.\textsuperscript{18} The establishment of the Job Creation Law brings changes to the role of the Indonesian Council of Ulama (henceforth referred to as MUI) in the implementation of halal assurance for food products distributed in Indonesia. In this new regulation, the government, in addition to cooperating with Halal Product Assurance Agency (henceforth referred to as LPH) and MUI, will also cooperate with other Islamic community organizations under legal entities. In addition, there are also several changes where the Omnibus Law removes several BPJPH sectors that are collaborating with MUI outlined in Law Number 33 of 2014 concerning the Halal Product Guarantee. All provisions in Article 14 of Law Number 33 of 2014 concerning Halal Product Guarteees are also removed, and some changes in this Job Creation Law affect the involvement of MUI in issuing food and cosmetic halal certificates,\textsuperscript{19} changing roles in the issuance and revocation of halal certification and halal labels on products.\textsuperscript{20}

Previous research discussing halal certification implies that although halal certification is an option for food manufacturers, they should consider applying for a degree if they aim to reach the market globally.\textsuperscript{21} Halal certification and halal awareness have a positive impact on consumer decisions.\textsuperscript{22} Halal certification has a positive but not significant impact on purchasing decisions for halal-branded

\begin{thebibliography}{99}
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fashion products.\textsuperscript{23} Halal certification and halal awareness have a partially positive effect on the intent to purchase halal food products.\textsuperscript{24} In this transitional period for halal certification in Indonesia, regulatory reforms must be tightened bearing in mind that many products currently imported are entering Indonesia illegally and indicate prohibited substances.\textsuperscript{25} Apart from the initiatives of government agencies to encourage certification of these halal products, other initiatives related to the above factors such as improving the Islamic education system or attracting Islamic business associations to participate should be considered.\textsuperscript{26} The policy of providing halal certification is positively correlated with boosting the purchasing power of individuals for halal products.\textsuperscript{27} Halal food products have an added value compared to non-halal food products.\textsuperscript{28} Halal certification increases consumer confidence in buying food.\textsuperscript{29} The halal industry is in the process of development and improvement through targeted regulations and programs.\textsuperscript{30} The concept of legal derivation through a reconciliation approach linked to the policy of halal self-declaration for micro and small enterprises is in line with the objectives of Sharia.\textsuperscript{31}

This research focuses on Law No. 6 of 2023 on Job Creation. The enactment of this law brings changes to the role of MUI in ensuring the halal certification of

\begin{itemize}
\item \textsuperscript{24} Devi Septiani and Ahmad Ajib Ridwan, ‘The Effects of Halal Certification and Halal Awareness on Purchase Intention of Halal Food Products in Indonesia’, \emph{Indonesian Journal of Halal Research} 2, no. 2 (31 August 2020): 55–60, https://doi.org/10.15575/ijhar.v2i2.6657.
\item \textsuperscript{27} Ari Agung Nugroho, Esaka Pratala, and Atik Atikah, ‘Halal Certification Models in Increasing Community Purchase Intention for Halal Products in Indonesia’, \emph{International Journal of Business, Technology, and Organizational Behavior} 01, no. 01 (2021): 12.
\item \textsuperscript{31} Istianah and Gemala Dewi, ‘Analisis Maslahah pada Konsep Halal Self-Declare Sebelum dan Pasca enactment Undang-Undang Cipta Kerja’, \emph{Al 'Adlu Jurnal Hukum} 14, no. 1 (2022): 84–109.
\end{itemize}
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Under the new regulation, the government will collaborate not only with the LPH and MUI but also with other legally recognized Islamic organizations. Furthermore, there are several changes where the Omnibus Law removed certain articles from Law No. 33 of 2014 on Halal Product Assurance, and these changes in the Job Creation Law affect the involvement of MUI in issuing halal certificates for products. There are changes in the role of issuing and revoking halal product certification. The research also highlights the growth of micro-enterprises. In addition to halal certification assurance, business operators in Indonesia require ease in obtaining halal certificates to support the growth of micro-enterprises in the country.

The purpose of this research is to describe and discuss the Halal Certification in Indonesia: Study of Law Number 6 of 2023. The gap in this research is that the government has issued Government Regulation in Lieu of Law (Perppu) No. 2 of 2022 on Job Creation on December 30, 2022, and it was enacted as Law No. 6 of 2023 on March 31, 2023. This regulation aims to provide legal certainty following the Constitutional Court Decision No. 91/PUU-XVIII/2020, which mandated the lawmakers to make improvements within a maximum period of two years from the issuance of the decision. If no improvements are made within this time frame (until November 25, 2023), the Job Creation Law will be permanently declared unconstitutional.

In other words, the academic problem in this research is related to the regulation of halal certification in Indonesia, which continues to evolve and experience changes, both in terms of the responsible institutions and the process of obtaining halal certification.

Research Methods

This normative research is a systematic and objective effort to study a problem and find general principles and uses a normative-juridical approach and a descriptive-analytical method through library research. The analytical descriptive method is to describe in detail the certification of halal in Indonesia today by adopting the opinions of experts and practitioners from books, and international and national journals. The aim of this scientific study is that the approach is made through the

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32 Undang-Undang No. 11, ‘Tentang Cipta Kerja’.
analysis and interpretation of things that are theoretically related to research.

The data types used in this study are primary data and secondary data. Baseline data were obtained directly during data collection. Primary Data Sources were obtained from; “Law Number 33 of 2014 concerning Halal Product Guarantee, Government Regulation Number 31 of 2019 concerning Implementing Regulations of Law Number 33 of 2014 concerning Halal Product Guarantee, Regulation of the Minister of Religion Number 26 of 2019 concerning Providers of Halal Product Assurance, Decree of the Minister of Religion (KMA) No. 982 of 2019 concerning Halal Certification Services, Government Regulation (PP) No. 39 of 2021 concerning the Implementation of the Halal Product Assurance Sector, Decree of the head of the halal product guarantee agency No. 4 of 2022 concerning the determination of halal labels, Law No. 6 of 2023 concerning Job Creation.

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The word “halal” in Islam means something that can be consumed by Muslims, not only in food but also in all aspects of products and services. Meanwhile, halal certification represents product quality following Islamic Sharia standards. According to Islamic values, halal certification is used as a guideline for consumption by Muslims. Every believer is commanded by God Almighty to always consume halal and good quality food (containing adequate nutrition and vitamins). The part of the verse that reads halal and good contains two aspects related to every sustenance that a person eats. The first aspect, let the food be obtained legitimately according to the Islamic law embodied in the Messenger, meaning it commands the person to do the right thing without involving force, deception, theft, or ways prohibited by Islamic law.

While the good aspect of tayyib is in terms of the content of food substances consumed, food should contain substances needed by the body, both in quality and quantity, and a nutritionally balanced diet is recommended. Some foods are halal but not tayyib. The Apostle gave an example of the heads, skins, and innards of the slaughtered animals being thrown away. He even said, “Don’t eat bones because bones are food for your brother from the jinn.” The results showed that these parts contained a lot of substances that cause blood cholesterol levels in the human body to rapidly increase. The Messenger of Allah has set an example of this simplicity. In all aspects of his life, he had always been living a simple life without suffering despite the chances of seeking

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pleasure. However, he chose not to simply because he led and set an example for his people as a leader.\textsuperscript{36}

The Government has compiled the Government Regulation of the Republic of Indonesia No. 31 of 2019 The Executive Regulations of Law No. 33 of 2014 Concerning Farewell to Guaranteed Halal Products Provides Legal Certainty to the Islamic Community Regarding JPH.\textsuperscript{37} Authorization Law No. 33 of 2014 on Halal Product Assurance will be implemented from October 17, 2019, and the government will regulate Halal Product Assurance through the Halal Product Assurance Agency (BPJPH) of the Ministry of Religious Affairs, as in line with the mandate of Law No. Law No. 33 of 2014 Concerning Halal Products Guarantee. The obligation to issue halal certification as of October 17, 2019, is being implemented in phases.

Commercial actors applying for halal certifications must follow these requirements; 1) providing clear and correct information; 2) separating the place, and means of slaughter, processing, storage, packaging, distribution, sale, and display between halal and non-halal products; 3) having a halal supervisor; 4) Reporting changes in material composition to BPJPH.\textsuperscript{38} Meanwhile, commercial representatives who have obtained halal certification are required to follow these requirements 1) halal label on halal-certified products; 2) preservation of halal products; 3) separation of places, slaughtering places, processing equipment, storage, packaging, distribution, sales, and display between halal and non-halal products; 4) Halal certificate in case it is expired. 5) Reporting changes in material composition to BPJPH.\textsuperscript{39}

The importance of halal food products is undeniable, especially given the increasing number of food packaging products that come from other countries, especially those mostly populated by non-Muslims. Therefore, halal certification on foods and beverages is mandatory. To make it easier for the public to see halal packaged food products being marketed, the halal label on the product is one solution.\textsuperscript{40} On the other hand, increasing public awareness of halal products is not properly supported by the actions of commercial actors.

\begin{footnotes}
\item[38] Muhammad Aziz, Ahmad Rosiq, and Abdul Ghofer, ‘Regulasi Penyeleenggaraan Jaminan Produk Halal di Indonesia Perspektif Statute Approach’, \textit{ISLAMICA: Jurnal Studi Keislaman} 14, no. 1 (2019): 151–70.
\item[40] Sari, ‘Perlindungan Hukum Atas Label Halal Produk Pangan Menurut Undang-Undang’.
\end{footnotes}
in providing correct product information or managing halal certification for production and halal labeling on packages.\textsuperscript{41}

Halal certification is a form of testing on food starting from preparation, slaughter, cleaning, processing, disinfection, storage, and transportation, to the best management method. That is, halal certification is the main issue that comes from the principles and procedures of the Islamic religion that prove that the products should be good, safe, and, fit for consumption by Muslims. Halal certification guarantees the safety of the product so that Muslims can consume it.\textsuperscript{42}

The enactment of Law Number 33 of 2014 concerning the halal guarantee system in Indonesia is one form of consumer protection. The halal assurance procedure for a product has the same function as the implementation of ISO (International Standard of Organization) in the world globally. So, the application of halal certification is not different from the application of ISO certification for products or services. The difference is in the application of Islamic principles and the rules of Sharia law regarding halal products. In addition, halal products are part of today’s business activities. The issue of halal products can be a trigger for the growth of the economic sector of every country. Halal products are part of trade at the regional and international levels. So, every country must have a concept of halal product standards that can be accepted by other countries in the world.

In Indonesia, halal products are regulated by Law Number 33 of 2014, emphasizing that products that enter, circulate, and trade throughout Indonesia must have a halal certificate. There are several regulations to protect Muslims from prohibited products, such as Law Number 7 of 1996 concerning Food, Law Number 8 of 1999 concerning Consumer Protection, and Decree of the Minister of Religion Number 519 of 2001 concerning Implementation that the halal food inspection agency. There is also a cooperation charter from the Ministry of Health, Ministry of Religious Affairs, and MUI on the application of halal labels to food in 1996. Furthermore, there are other regulations regarding halal products, namely, (1) Law Number 18 of 2012 concerning Food, (2) Law Number 18 of 1999 concerning Livestock and Animal Health, (3) Government Regulation Number 69 of 1999 concerning Food advertisements and labels, (4) Government Regulation Number 95 of 2012 concerning Public Health, (5) Law Number 33 of 2014 concerning the halal guarantee system in Indonesia, and other regulations.

\textsuperscript{41} Rohmah and Iswantoro, ‘Perlindungan Hukum Terhadap Konsumen Produk Makanan Yang Tidak Berlabel Halal Di Daerah Istimewa Yogyakarta Tahun 2015’.

\textsuperscript{42} Nugroho, Pratala, and Atikah, ‘Halal Certification Models in Increasing Community Purchase Intention for Halal Products in Indonesia’.
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and others.43

The regulation shows that halal certification in Indonesia is still voluntary. To deal with halal issues, Indonesia has set guidelines as halal standards for producers or business owners called Halal Assurance System (HAS). HAS is prepared, implemented, and maintained by a halal-certified company to maintain the sustainability of the halal production process according to the LPPOM MUI rules. In general, SJH circulating in Indonesia is valid if the product has a halal label and a halal certificate issued by the MUI. The year 2017 became a transitional period of halal certification authority from LPPOM MUI to the Ministry of Religious Affairs of the Republic of Indonesia (Kemenag RI) as the halal certification authority in Indonesia. The transition period lasts approximately 2 years until 2019. Furthermore, LPPOM MUI remains authorized to oversee the implementation of halal certification carried out by the Indonesian Ministry of Religious Affairs. During the transition period, the government has the responsibility to issue Government Regulations (PP) and Ministerial Regulations (Permen) as the implementation of the Halal Assurance System Law. The authority for halal certification is structurally under the Indonesia Halal Product Assurance Agency (BPJPH).44

BPJPH was formed by the government and is under the Ministry of Religious Affairs. It has the following authorities: 1) Formulating and stipulating a Halal Product Guarantee policy; 2) Establishing norms, standards, procedures, and criteria for Halal Product Assurance; 3) Issuing and revoking Halal Certificates and Halal Labels on Products; 4) Registering Halal Certificate for foreign Products; 5) Conducting socialization, education, and publication of Halal Products; 6) Accrediting the Halal Inspection Agency; 7) Registering Halal Auditors; 8) Supervising Halal Product Guarantee; 9) Guiding Halal Auditors; and 10) Establishing cooperation with domestic and foreign institutions in the field of Halal Product Assurance.45

The government is also responding to halal issues in Indonesia, especially those related to food, medicine, and cosmetics, by issuing several regulations. Therefore, the regulation is not yet relevant to use as a strong legal basis and obliges the issue of the halal status of the product to the commercial actors.

43 Hosen and Lathifah, ‘Comparison of Halal Certification in Several Countries toward Halal Standard of Indonesia’.
and ensures convenience for consumers.⁴⁶

Halal Certification After the Implementation of Law Number 6 Of 2023

As explained in the introduction, the government issued Government Regulation in Lieu of Law (Perppu) No. 2 of 2022 on Job Creation on December 30, 2022, and it was enacted as Law No. 6 of 2023 on March 31, 2023. This regulation aims to provide legal certainty following the Constitutional Court Decision No. 91/PUU-XVIII/2020, which mandated the lawmakers to make improvements within a maximum period of two years from the decision. If no improvements are made within this time frame (until November 25, 2023), the Job Creation Law will be permanently declared unconstitutional.

Various provisions are regulated in Law No. 6 of 2023, specifically regarding halal certification. Additionally, there are several changes in the provisions of halal certification compared to Law No. 11 of 2020 on Job Creation, as discussed in the previous section. The provisions in Government Regulation in Lieu of Law No. 2 of 2022 mainly address the assurance or certification of halal products. Furthermore, there are changes in the provisions regarding halal products in Government Regulation in Lieu of Law No. 2 of 2022 compared to Law No. 11 of 2020, particularly regarding the timeframe for issuing certificates. The substance of the regulation on halal product assurance in Government Regulation in Lieu of Law No. 2 of 2022 includes the determination of halal status by MUI, provincial MUI, regency/municipal MUI, or the Aceh Consultative Assembly through a halal fatwa session, within a maximum of three working days upon receiving a report from the Halal Inspection Agency.⁴⁷

Furthermore, if the deadline for determining the halal status of a product by the Indonesian Ulema Council (MUI) is exceeded, the determination will be made by the halal product fatwa committee based on the halal provisions. The halal product fatwa committee, consisting of religious scholars and academics, was established and is accountable to the Minister.

Regarding the timeframe for obtaining halal certification for micro and small businesses through self-declaration, there is a period of 12 working days from the submission of the application to the Halal Certification Agency (BPJPH), including verification and validation by the Halal Certification Agency’s companion, the

halal determination by the halal product fatwa committee, until the issuance of the halal certificate by the BPJPH.

Additionally, the halal certification remains valid as long as there are no changes in the composition of the ingredients. This means that if the halal certificate is received, there is no time limit, but if there are changes in the composition of raw materials and additives, an application for the renewal of the halal certificate must be submitted. There are 32 amendments related to the halal certification regulations in Article 48 of Law No. 6 of 2023. These amendments aim to improve Law No. 33 of 2014 and are listed in Article 48 of Law No. 6 of 2023. The fundamental changes related to the assurance of halal products are as follows:
a. Determination of halal products

The determination of halal products is provided by MUI, Provincial MUI, Municipal MUI, or the Aceh Ulama Council (MPU) to the Halal Certification Agency (BPJPH) as the basis for issuing the Halal Certificate. If the deadline for the determination of halal products by MUI, Provincial MUI, Municipal MUI, or MPU Aceh is exceeded, the determination will be made by the halal product fatwa committee based on the halal fatwa provisions. The determination of halal products by the halal product fatwa committee will be done within a maximum of two working days.

b. Halal certification through self-declaration

Micro and small businesses can apply for halal certification with self-declaration. The determination of halal products will be made by the halal product fatwa committee based on the halal fatwa provisions. The determination of halal products by the halal product fatwa committee will be done within a maximum of one working day from the receipt of the companion’s assessment results. Based on the determination of halal products, the BPJPH will issue the halal certificate.

c. Establishment of the halal product fatwa committee

This committee is established and accountable to the Minister of Religious Affairs and consists of religious scholars and academics. It should be formed no later than one year after the enactment of this law. The new nomenclature is related to the authority of issuing halal fatwas, namely the halal product fatwa committee, which is established and accountable to the minister. In order to expedite the halal certification process, the authority to issue halal fatwas is not limited to MUI alone. Provincial MUI, municipal MUI, and the Aceh Ulama Council (MPU) also have the authority. The halal product fatwa committee is responsible for issuing halal determinations for micro-enterprises in the self-
declaration halal certification scheme.

This committee can take over the function of MUI fatwas in the regular halal certification scheme when the MUI Fatwa Commission cannot fulfill its functions according to the Service Level Agreement (SLA), which is a maximum of three days, while the SLA for the halal product fatwa committee takes a maximum of two days. The members of the halal product fatwa committee consist of religious scholars and academics (for scientific judgment). The existence of this new institution carries the risk of varying fatwa determinations and levels of trust.

In this regard, the sources of fatwas and their mechanisms should be regulated to avoid disparities in fatwa rulings in the same case. This ensures that halal determinations can be accountable for meeting the needs of Muslim consumers regarding halal certification. The independence of the halal product fatwa committee is also crucial. This committee is established and accountable to the minister, with the competent authority held by the Ministry of Religious Affairs. Managing this risk is a challenge that must be addressed by preparing risk management and communicating with all stakeholders, especially Muslim consumers. The fatwa committee members should ideally include representatives from MUI, representing Islamic organizations. This committee should involve the central MUI, provincial MUI, municipal MUI, and MPU, all committed to fulfilling their designated functions. MUI fatwas should remain a reference for all institutions involved in halal determinations.  

_The validity period of halal certificate_

The halal certificate is valid from the date of issuance by BPJPH and remains valid as long as there are no changes in the composition of ingredients and/or the halal production process. In the event of any changes in the composition of ingredients and/or the halal production process, businesses are required to update their halal certificates. According to Article 42 of Law No. 6 of 2023, the halal certificate is valid from the date of issuance by BPJPH and remains valid as long as there are no changes in the composition of ingredients and/or the halal production process. Updates are required if there are changes in these two aspects. The composition of ingredients and the halal production process are critical factors in determining halal status, following the fatwa issued by MUI. In the food industry, changes are inevitable as businesses, including those in the

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food sector, constantly adapt. The term “composition” in Law No. 6 of 2023 may include changes not only in the composition itself but also in the source and type of ingredients, which are crucial in determining halal status.

The consequences of this provision also demand strict post-market surveillance. With increasing competitiveness in the business world, especially in the food industry, efficiency becomes a concern for businesses. The implementation of this provision also requires strict post-market surveillance and serves as a deterrent to businesses that violate the regulations. This implementation incurs significant costs, which may be the reason why the Indonesian Food and Drug Authority (BPOM) has changed the validity period of the Marketing Authorization Number (NIE) from a lifetime to four years, ensuring that businesses comply with the established rules. Meanwhile, the validity period for halal product assurance has been extended from two to four years and now to a lifetime.50

Halal production process assistance

The accompaniment of the halal production process is completed by the halal production process companion within a maximum of 10 working days from the submission of the halal certification application by micro and small businesses.

Electronic-based halal product guarantee services

The law mandates the provision of halal product assurance services through an integrated electronic system that is connected to the halal certification process conducted by BPJPH (Halal Certification Agency), LPH, MUI, provincial MUI offices, MUI offices in districts/cities, MPU Aceh, the Halal Product Fatwa Committee, and Halal Process Advisors.51 Services are carried out electronically and integrated.52

Analysis of Legal Consequences of Law Number 6 of 2023 for Micro Enterprises Growth in Indonesia

The obligation of halal certification is stated in Article 4 of Law No. 33 of 2014 on Halal Product Assurance, which states that “products entering, circulating, and traded in the territory of Indonesia must have a halal certificate.” In other words, it is mandatory for businesses involved in the production and trade of food products in Indonesia to obtain a halal certificate and display the halal logo on their packaging. This regulation serves as a strong legal framework for the competent

50 Rahayu, ‘Halal Dan Perppu Cipta Kerja’.
51 Indah, ‘Perpu Ciptaker, BPJPH: Sertifikasi Halal Bagi UMK Lebih Cepat’.
52 Rahayu, ‘Halal Dan Perppu Cipta Kerja’.

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government authorities to regulate halal products in Indonesia, particularly for micro, small, and medium enterprises (MSMEs).

Micro enterprises refer to a group of businesses, primarily engaged in simple production processes and sales, often operating on a small scale, particularly in food processing. The mandatory halal certification requirement applies to businesses as stipulated in Law No. 33 of 2014 on Halal Product Assurance. The law does not specifically mention micro-enterprises. However, the Omnibus Law on Job Creation amended Law No. 33 of 2014, and it includes provisions that mandate micro and small enterprises to obtain halal certification for their processed products. In order to use the halal label on processed products, certification stating that the product is halal is required.

Regarding the issuance and management of halal certification, according to Article 44 of Law No. 33 of 2014 on Halal Product Assurance, the cost of halal certification is the responsibility of the businesses. However, for micro and small enterprises, the government and relevant institutions may provide facilitation and assistance.

With the issuance of the Job Creation Law, Article 44, paragraph (2) of Law No. 33 of 2014 on Halal Product Assurance has been amended to exempt micro and small enterprises from halal certification fees (free of charge). Additionally, under the new law, the cost burden for micro-enterprises is borne by the government. However, it is important to note that there are requirements that must be fulfilled by micro and small enterprises as stipulated in Article 21 and Article 22, paragraph (1) of Law No. 33 of 2014 on Halal Product Assurance. These articles state that businesses that do not separate the location, place, and equipment for halal product processing, as mentioned in Article 21, paragraph (1), may face administrative sanctions. The article emphasizes that the location, place, and equipment for halal product processing must be kept clean, hygienic, free from impurities, and free from non-halal items. Consequently, micro and small enterprises with cottage industry scale, where the location, place, and equipment for halal product processing are integrated with the main residence of the business owner, can still comply with the requirements.

Thus, the purpose of implementing Law No. 33 of 2014 on Halal Product Assurance, as amended by Law No. 6 of 2023 on Job Creation, can be achieved, and the application of halal certification for micro and small enterprises can be expanded in its coverage and carried out as intended. Therefore, it is the obligation of all parties, including the central government, local governments, businesses, and society, to implement the legal provisions according to their respective roles.
and functions. If a product does not have a halal label, Muslim consumers will naturally hesitate to consume it, resulting in the product not being beneficial. On the other hand, if a product is labeled as halal, it can encourage Muslim consumers to purchase it. This is advantageous for business.\(^{53}\) In Islam, the halal status of a product is highly significant. For example, in the case of food products, it is determined by considering indicators such as halal certification marks or codes, and/or halal labels. From this perspective, the interests of consumers in general, and Muslim consumers in particular, become important and intriguing topics of discussion.\(^{54}\)

Based on the results of research by Kamila,\(^{55}\) in the era of the new normal or the new order of habits that prioritize the aspects of hygiene and cleanliness of a product, the Shariah economy also offers effective instruments to boost economic development, one of which is the halal industry. Through the opportunities, efforts, and strategies examined in Indonesia regarding the halal industry, research findings indicate that the projection of the halal industry in the new normal era enhances the conditions, opportunities, strategies, and government efforts in economic development in Indonesia. In this new era, the government, businesses, and society can adapt to the new economic patterns to advance the economy in the new normal era. Additionally, with the advancement of business models through digitization, the halal industry is further facilitated in capturing the market, particularly in Indonesia.

Meanwhile, in terms of technology, Sayekti\(^{56}\) revealed that technological advancements have brought about rapid changes and intense competition. Human mobility, distribution of goods, as well as the flow of capital and information, have grown faster through digitization. The development of digitization has created breakthroughs in the economy, particularly in business-to-business, business-to-customer, or customer-to-customer interactions. The digital economy has both positive and negative implications, posing challenges for the government and society. The government must be capable of creating regulations that promote the development of the digital economy as a strategy to realize its vision for 2020,
such as facilitating financing for startups, providing tax incentives, and fostering ICT (Information and Communication Technology) proficiency for business. The development of telecommunications infrastructure also needs to be enhanced outside of Java and Sumatra to minimize existing disparities.

The research conducted by Arifqi and Junaedi\(^57\) revealed that the COVID-19 pandemic has become a global issue affecting various countries, including Indonesia. The Indonesian government’s policies to break the chain of COVID-19 transmission are still being implemented. These policies have had an impact, especially on the economy, including the activities of micro, small, and medium enterprises (MSMEs). MSME activities have become one of the alternatives to restore Indonesia’s economy. MSMEs must be able to utilize technological advancements to enhance their business productivity. MSMEs involve production processes, distribution processes, and consumption processes. They are also economic activities widely adopted by the community and have proven to withstand the 1998 economic crisis in Indonesia.

Indonesia has significant potential for the development of the halal economy, which should be optimally utilized, particularly by business actors. Currently, MSMEs are the driving force behind economic growth in Indonesia. Therefore, specific strategies need to be formulated, especially for micro-enterprises, to adapt to the development of the halal economy. Some strategies that can be implemented include obtaining halal certification, effective business management, and strong leadership from business leaders.\(^58\)

The growth of micro-enterprises can be seen in the halal certification conducted by the Halal Product Assurance Organizing Agency (BPJPH) under the Ministry of Religious Affairs. BPJPH has now reached its fifth year of operation. There has been an average increase in the number of halal-certified products each year. BPJPH was established on October 11, 2017, and the halal certification services began on October 17, 2019, meaning that BPJPH has been providing halal certification services for three years. According to data from the Halal Information System (SiHALAL) in October 2022, a total of 749,971 products were halal-certified from 2019 to 2022, an average of 250,000/year. This average has increased compared to the number of halal certifications before BPJPH took over. Previously, the average number of halal-certified products was


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100,000/year.\textsuperscript{59}

Referring to MSME data reporting that there are currently 65 million MSMEs in Indonesia,\textsuperscript{60} achievement is still a long way to go. However, the change that indicates an accelerating trend, from an average of 100,000 businesses certified before being managed by the government to an average of 250,000 per year now, demonstrates progress in the acceleration of halal certification since it has been managed by the government.

The online registration for halal certification through ptsp.halal.go.id has also contributed to the increase in certification applications. It has made the process of obtaining halal certification in Indonesia much easier. Additionally, the implementation of free halal certification fees for micro and small businesses supports the acceleration of halal certification in Indonesia. Based on Regulation PMK 57 of 2021, clear tariff parameters have been established, and the tariff set is more affordable compared to previous rates. In the field of halal registration and certification, the halal facilitation program has been strengthened. In 2020, BPJPH provided halal certification facilitation to around three thousand micro and small businesses. This number was increased in 2021 with the implementation of a free halal certification program for 10,000 micro and small businesses. In the same year, BPJPH introduced the self-declaration mechanism for halal certification for the first time. In 2022, the Sehati program was continued, and BPJPH provided facilitation for 349,834 micro and small businesses that applied for halal certification through the self-declaration mechanism. Improvements have also been made in the areas of guidance and supervision of halal product assurance.\textsuperscript{61}

In the developed civilizations of today, the processing of food, beverages, medicines, and cosmetics has involved complex processes and diverse mixtures of ingredients, making it a non-trivial and highly sensitive matter. In the case of food products, there are various types available. Currently, there is a wide range of processed and ready-to-eat foods, both in modern and traditional forms. In food processing, ingredients such as gelatin, enzymes, animal fats, and meat-based raw materials are commonly used. These ingredients are susceptible to issues of halal compliance, as they can be made or contain prohibited substances or come from non-halal animals that were not slaughtered according to Islamic law, among other prohibited elements. This is particularly relevant for products made or

\textsuperscript{61} Indah, ‘Lima Tahun BPJPH, Ini Capaian Jaminan Produk Halal Di Indonesia’.
produced by Micro and Small Enterprises. It is crucial to ensure that the products are processed and manufactured without any non-halal ingredients. From the very beginning of the production process, the halal aspect of a product must be taken into consideration. It requires support from various parties. This support is in the form of capital, markets, producers, or government regulations. Laws or regulations are important because they guarantee legal certainty in running a business or corporation.

Meanwhile, the foundation of the Indonesian state, Pancasila, states that Indonesia is a religious country. Indonesia is home to various religions and beliefs embraced by its population. The 1945 Constitution of the Republic of Indonesia, Article 29 paragraph (2), explicitly declares that: “The state guarantees the freedom of every citizen to embrace their respective religions and to worship according to their religion and beliefs.” Furthermore, Indonesian legislation also ensures that every consumer has the right to obtain all information related to products, as stated in Article 4 letter c of Law Number 8 of 1999 concerning Consumer Protection, which grants consumers the right to accurate, clear, and honest information regarding the condition and guarantees of goods and/or services. Similarly, businesses have an obligation to provide truthful, clear, and honest information about the condition and guarantees of their goods and/or services and to provide explanations.

Thus, to guarantee the freedom of religious worship and the practice of religious teachings and beliefs, the Indonesian government has an obligation to provide protection and assurance regarding the “halalness of products” consumed and used by consumers, especially Muslims. One of the ways this is implemented is through the regulation of halal certification, which is stipulated in Law Number 33 of 2014 concerning Halal Product Assurance. Halal certification is a process or activity carried out to meet specific standards. The ultimate goal of halal certification is to obtain formal legal recognition that the products being released meet halal requirements. Any business entities that wish to label their products as halal must obtain certification first.

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The establishment of halal certification is crucial in accordance with the principles of Islam, where halal (permissible) and haram (forbidden) are of utmost importance in Islamic law and are part of the substance of Islamic law. This requires the public to have clear information about the level of halalness of food products as a form of assurance for the safety of Muslim consumers. Therefore, it is important for businesses to apply for halal certification for products that will be sold in the market. Until now, MUI’s halal certification has not been fully effective in protecting Muslim consumers because, according to previous regulations, the halal certification application by business entities was purely voluntary. The concern for halal certification among businesses has been limited to large-scale enterprises. In addition to the regulations discussed earlier, there has been a 10-year delay in implementing the substance of the law regarding the human resources of the Halal Product Assurance implementing body and other related institutions. Now, after nine years since the enactment of the Halal Product Assurance Law, there seems to be visible and vibrant progress. Training programs for micro and small businesses, halal auditor training and certification, external supervision training, halal slaughtering training and certification, and finally, halal supervisor competence training and certification are being conducted everywhere.64

This is aimed at supporting the growth of micro-enterprises in Indonesia. Indonesia is a country with a Muslim population reaching 87.18% of the total population of 232.5 million people.65 This indicates that the Muslim market in Indonesia has tremendous potential through the development of the Shariah economy. The halal lifestyle trend in Indonesia is also showing significant growth. The phenomenon of halal has spread across various commodities that are essential for people’s lives, not only in food and beverages but also in areas such as pharmaceuticals, cosmetics, fashion, hospitality,66 tourism,67 as well as finance and investment businesses68 69. This demonstrates that the concept of halal has

economic value and significant opportunities for development, particularly in Indonesia.  

According to the results of research conducted by Anzellyta and Fittria and Sudarmiatin et al., currently in Indonesia, it is crucial to provide tangible incentives and assistance to motivate businesses to obtain halal certification for their products. This needs to be done on a massive scale for business operators in Indonesia. The lack of compliance with halal labeling obligations among business operators in Indonesia is mainly due to insufficient knowledge and awareness. Additionally, the absence of halal policies and oversight further exacerbates the situation. In Indonesia, there are several recurring issues in the implementation of halal certification for business operators, such as 1) Insufficient socialization and information on the existence of the halal certification program; 2) Suboptimal involvement of stakeholders; 3) Inadequate diligence by the Halal Product Process Assistants in verifying documentation; 4) Limited responsiveness of small and medium-sized enterprises in Indonesia to regulations; and 5) Inadequate support and guidance during the halal certification process for halal products.

According to research by Jamak et al., it supports the notion that the government can act as a catalyst and critical driving factor, providing the strategic approach needed to transform micro-enterprises from ordinary businesses into entrepreneurial-minded individuals equipped with all the necessary business skills and intelligence. Therefore, in supporting and realizing the growth of micro-enterprises in Indonesia, the government needs to continue and undertake a more massive movement in accelerating halal certification in Indonesia.


From the above discussion, where there are several implications of halal certification on the growth of micro-enterprises, it is necessary to facilitate the acceleration of halal certification and relax some regulations regarding the process of obtaining halal certification in Indonesia. These implications are expected to facilitate micro-enterprises in ensuring that their products can easily go through the certification process with simplified procedures, enabling micro-enterprises and the community to comply with legal requirements, particularly regarding the implementation of halal certification in Indonesia to facilitate halal certification applications for business operators.

The growth of micro-enterprises in terms of accelerating halal certification indicates a positive direction. Data shows that prior to government management, the average achievement of halal certification was around 100,000 per year, whereas, after government management, the average achievement of halal certification reached 250,000 per year. In relation to the theory of the rule of law, the government can intervene by establishing regulations to ensure the halal status of products, one of which is compliance with halal certification for all products entering, circulating, and traded in Indonesia.

The growth of micro-enterprises through the facilitation of access and the halal certification process is expected to lead to the growth of the micro-business sector in Indonesia. Micro-enterprises that previously struggled or had limited access to halal certification now have greater opportunities to market halal products and experience significant development. However, it is important to note that easy and fast halal certification should not overlook important aspects related to the halalness and safety of products. Strict supervision and effective control mechanisms are still necessary to ensure that products certified as halal truly meet the established standards.

**Conclusion**

The government issued Government Regulation in Lieu of Law (Perppu) No. 2 of 2022 on Job Creation on December 30, 2022, which was later enacted into Law No. 6 of 2023 on March 31, 2023. This regulation provides legal certainty following Constitutional Court Decision No. 91/PUU-XVIII/2020, which mandated improvements within 2 years from the date of the decision. Failure to make the necessary improvements within that time frame would result in the permanent unconstitutionality of the Job Creation Law. The law regulates various aspects, including halal product certification. There are significant changes related to halal certification in Law No. 6 of 2023 compared to Law No. 11 of 2020 on Job
Creation. Some of the changes include the process of determining the halalness of products, halal certification with halal statements, the establishment of a halal product fatwa committee, the validity period of halal certificates, assistance in halal production processes, and electronic-based services for halal product assurance. This regulation aims to accelerate and improve the efficiency of halal certification while ensuring legal certainty and the trust of Muslim consumers in halal products.

The growth of micro-enterprises in terms of accelerating halal certification indicates a positive direction. Data show that before government management, the average achievement of halal certification was around 100,000/year, whereas, after government management, the average achievement of halal certification reached 250,000/year. In relation to the theory of the rule of law, the state can intervene by establishing regulations to ensure the halalness of products, one of which is compliance with halal certification for all products entering, circulating, and traded in Indonesia.

Constructive suggestion to the government, particularly to the Indonesian Halal Certification Agency (BPJPH), the Halal Product Assurance Agency (LPH), and the Indonesian Ulema Council (MUI), is to promptly address the issues that hinder the implementation of the Halal Product Assurance Law so that business operators can proceed with halal certification. Micro-business operators should continue to maintain the quality and halalness of their products to ensure consumer confidence and safety when consuming those products. For future researchers, this study can serve as a reference and can be further developed in future research. There are still many aspects that need to be discussed and have not been fully explored in this study, which should provide opportunities for further research.

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