



eurocham

The Importance of Halal Certification

F&B Trade Mission to Indonesia

EIBN – 26 February 2018

AGENDA



About EuroCham

Halal Law No. 33/2014

Process of Applying Halal Certification

Development Law on Halal Product Assurance (Halal Law)

Draft Government Regulation on Halal Law Implementation

Challenges on Halal Certification

EuroCham





Halal Law No. 33/2014

Regulation

- Enacted on 17 October 2014
- Giving protection and guarantee for community to consume and use halal products
- To increase added value for the business by producing and selling halal products

Initial Provisions

- Art. 4: Products imported, distributed, and traded in Indonesia shall be Halal certified
- Art. 26: (1) Business Operators that produce Product from Material that originate from non-halal Material as intended in Article 18 and Article 20 **are excluded** from submitting Halal Certificate application; (2) Business Operators as intended in paragraph (1) must attach **non-halal information** on the product
- Art. 27: Business Operators who do not do their obligation as intended in art. 25 will get administrative sanctions (written warnings; administrative fine; or revocation of halal certification)
- Criminal Sanctions (Art. 56 & 57): Company that does not maintain halal process after obtaining Halal certification for its product, will be subject to imprisonment up to 5 years and penalty of up to Rp.2 bio; Anyone involve in the Halal certification process who do not maintain confidentiality of information will be subject to imprisonment up to 2 years and penalty of up to Rp.2 bio

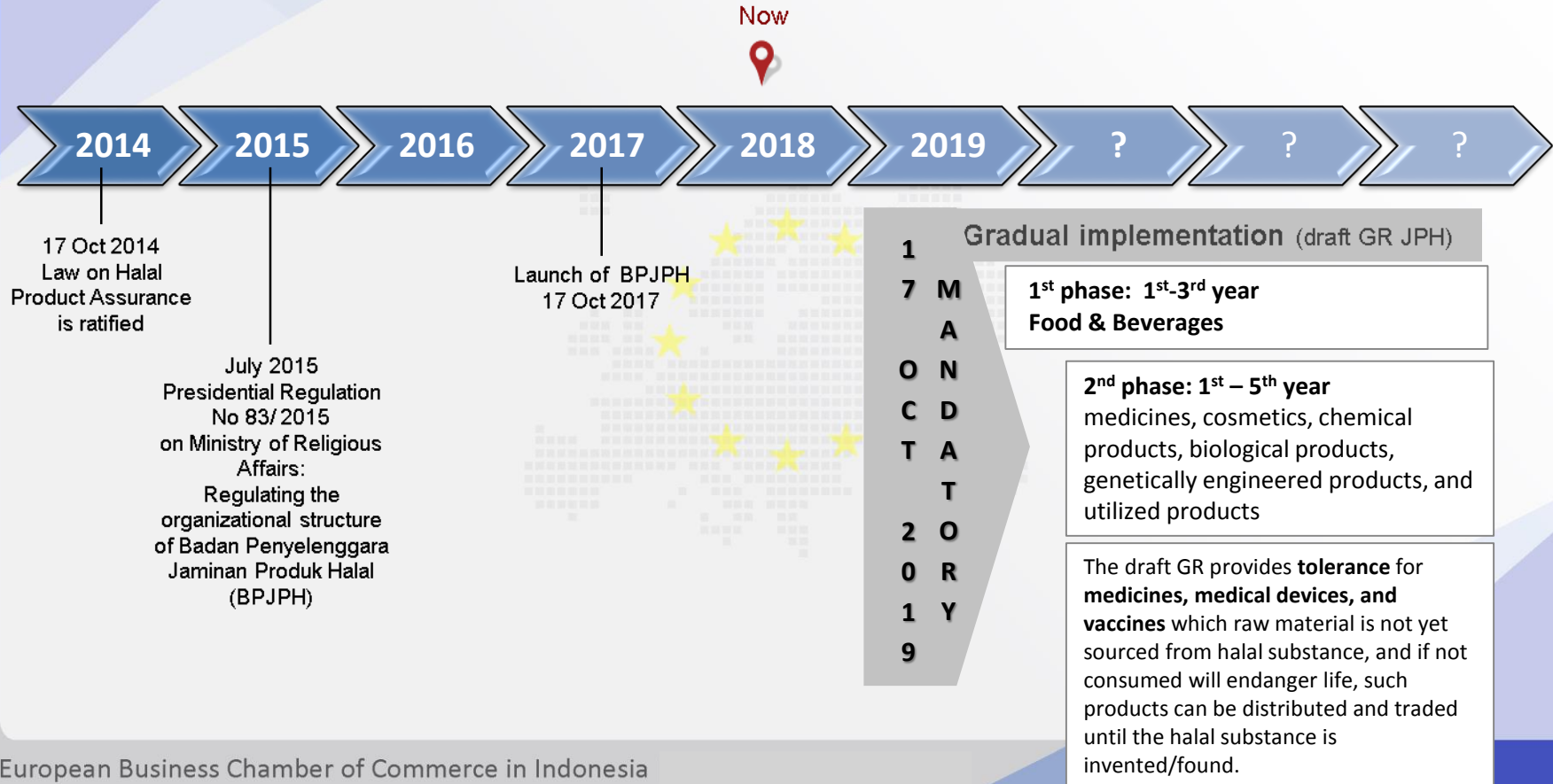
Process of Applying for Halal Certification



Note:

- Company's internal Halal supervisor does self-assessment of the products then submit the document to BPJPH.
- BPJPH will then conduct desk evaluation.
- After completing documents validation, BPJPH will assign one Lembaga Penjamin Halal or LPH (Halal Examination Agency) that would conduct site audit.
- LPH will send the audit report to BPJPH.
- Once there is no more finding, BPJPH will submit to MUI for Fatwa meeting to decide the halal status of the product.
- BPJPH will issue the halal certificate (7 days after MUI issues halal fatwa on the product)
- Company must affix the halal label

Development Law on Halal Product Assurance (Halal Law)



Draft Government Regulation on Halal Law Implementation

Introduction

- Draft as per November 2017; To implement Law No. 33 of 2014 on Halal Product Assurance
- Halal certificate issued before the enforcement of this regulation will remain valid until its expiration date

Initial Provisions

- Non-halal products: There is no obligation to Halal certified. However, it will need to put non-halal notification in the form: image, sign, and/or writing.
- Products that need to be halal certified:
 - Goods (foods, beverages, medicines, cosmetics, chemical products, biological products, genetically modified product, and other products worn, used, or utilized goods)
 - Services (slaughtering, processing, storage, packaging, distribution, selling, and serving).
- Stages of halal certification on types of products is based on following considerations:
 - Already established in another legislation;
 - Has been halal certified before UU 33/2014 applies;
 - Primary needs and massively consumed;
 - Has a high critical point non-halal;
 - readiness from the businesses; and/or
 - readiness of the supporting infrastructure.

Draft Government Regulation on Halal Law Implementation





Challenges for Food & Beverages Companies

Potentially create inefficiency and confusion due to:

- The scope of products in the Law is too broad
- Certification process which covers from downstream to upstream – could create complexity and additional cost – eventually will be borne to the costumers
- Mandatory for all product to be halal certified – product that are not yet halal certified cannot be distributed or must attach non-halal label
- Lower Indonesia competitiveness compare with other country

Thank You



eurocham



European Business Chamber of Commerce in Indonesia

Wisma Metropolitan 1, 13th Floor
Jl. Jend. Sudirman Kav. 29-31
Jakarta 12920, Indonesia

T. +62 21 571 0085
F. +62 21 571 2508
www.eurocham.id