

Strengthening Halal Assurance in Indonesia: What's New in Government Regulation No. 42 of 2024?

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On 17 October 2024 Government Regulation (GR) No. 42 of 2024 regarding Implementation of Halal Products Assurance ("**GR 42/2024**") revoked and replaced Government Regulation No. 39 of 2021, which carried the same title as GR 42/2024 ("**GR 39/2021**"). This updated government regulation aims to strengthen the regulatory framework for ensuring halal certification of products in Indonesia and to provide legal certainty and assurance to the public regarding the halal status of products imported, distributed, and traded in Indonesia. All products and services intended for trade and distribution within the country must obtain halal certification, except those explicitly designated as non-halal (*haram*) products. Products seeking halal certification must use halal-compliant ingredients and adhere to Halal Product Processing (Proses Produk Halal – "**PPH**") standards to qualify for halal certification. However, the implementing regulations established under GR 39/2021 will remain in force, provided that their provisions are consistent with those outlined in GR 42/2024.

Halal Products are defined as products and/or services that have been declared halal in accordance with Islamic law. In this context, the term "Products" encompasses goods and/or services related to food, beverages, medicines, cosmetics, chemical products, biological products, genetically engineered products, as well as consumer goods that are used, utilized, or consumed by the public.

The Halal Product Assurance System (*Sistem Jaminan Produk Halal* - "**SJPH**") refers to an integrated system designed, implemented, and maintained to regulate materials, production processes, products, resources, and procedures to ensure the continuous preservation of PPH.

A Halal Certificate represents official recognition of the halal status of a product and/or service. It is issued by the Halal Product Assurance Organizing Agency (*Badan Penyelenggara Jaminan Produk Halal* – "**BPJPH**") based on a written fatwa or determination of the halal status of the product by authorized bodies such as the Indonesian Ulema Council (MUI), Provincial MUI, Regency/City MUI, Aceh Ulema Consultative Assembly, or the Halal

Product Fatwa Committee. The BPJH is a government-established body responsible for administering Halal Product Assurance (*Jaminan Produk Halal* – "**JPH**"). BPJPH plays a central role in coordinating and implementing policies related to halal certification and assurance processes.

As GR 42/2024 introduces several significant changes aimed at enhancing the halal assurance system in Indonesia we will discuss several essential points to be noted below.

Halal Certificates to Be Issued with Unlimited Validity Period

One of the most notable updates is the introduction of a halal certificate with an unlimited validity period, replacing the previous time-limited certification system. Under the new GR 42/2024 the validity of a halal certificate begins on the date of its issuance by the BPJPH and remains effective indefinitely, provided there are no changes to the composition of the materials in the Halal Product or the PPH as opposed to the previous regulation, GR 39/2021, under which halal certificates issued by BPJPH were valid for only four years from the

¹ Certain products classified under Article 161 GR 42/2024 must adhere to specific deadlines. These provisions remain consistent with those previously regulated under GR 39/2021, with no amendments to the requirements, ensuring continuity in the implementation of halal certification timelines.

² Article 155 GR 42/2024

³ Article 1 number 6 GR 42/2024

⁴ Article 1 number 8 GR 42/2024

⁵ Article 1 number 13 GR 42/2024

date of issuance. With the recent changes introduced by GR 42/2024, the obligation to renew halal certificates has been removed, simplifying the regulatory process for certified businesses.

New Obligations for Business Actors

GR 42/2024 also introduces several new obligations for business actors. Business actors engaged in the production and distribution of goods are required to adhere to specific obligations to ensure compliance with halal standards. They must provide accurate, clear, and honest information regarding their products. Additionally, they are responsible for separating locations, facilities, and equipment used for the slaughtering, processing, storage, packaging, distribution, sales, and presentation of halal and non-halal products to prevent cross-contamination. Furthermore, it is mandatory to appoint a qualified Halal Supervisor to oversee halal certification processes and compliance. Lastly, any changes in the composition of materials must be promptly reported to BPJPH to maintain transparency and uphold halal certification integrity. These obligations aim to protect consumer trust and promote adherence to halal standards within the business ecosystem.

Although the above obligations were already introduced in GR 39/2021, GR 42/2024 further elaborates and breaks down such obligations into more specific requirements in one article, Article 51 of GR 42/2024. Business actors are required to adhere to several obligations to ensure compliance with halal certification standards. These obligations include maintaining the halal status of certified products, and separating the locations, facilities, and tools used for slaughtering, processing, storage, packaging, distribution, sales, and presentation of halal and non-halal products. Additionally, business actors must renew the Halal Certificate if there are changes in the composition of materials and/or the halal production process (PPH) and report these changes to BPJPH.

Maintenance of the halal status of certified products must be verified through a certificate of consistency for Halal Products, which will be obtained after an examination through internal audit of the implementation of the SJPH. The examination is conducted every four years, and for micro- and small-scale business actors, the implementation is carried out based on risk analysis.

Other Important Adjustments:

- Slaughter location requirements
- Collaboration between BPJPH and the Food and Drug Supervisory Agency
- The period of verification for the validity of foreign halal certification documents.
- Shortened period for the obligation to submit a foreign halal certificate renewal application
- Implications of non-compliance with written warnings issued for failure to obtain halal certification

Imported Products Obligation

Imported products entering Indonesia are required to have halal certification to ensure compliance with Indonesia's regulations on halal standards. This purpose is to guarantee that the products consumers consume or use meet Islamic dietary and ethical guidelines.

The validity period of foreign halal certificate registration aligns with the validity of the halal certificate issued by the foreign halal certification body. Importers and/or their official representatives based in Indonesia are required to renew the registration of foreign halal certificates. The renewal application must be submitted within the period starting 60 days before the expiration of the foreign halal certificate registration and no later than the end of the registration's validity period.

Conclusion

In conclusion, BPJPH's move to introduce lifetime validity for halal certification marks a significant shift that simplifies compliance and reduces costs for food and beverage businesses. However, this benefit comes with heightened responsibility, as businesses must strictly follow updated obligations, such as proper labelling and the separation of halal and non-halal processes, to ensure continued compliance and uphold consumer trust in the halal certification system.

⁶ Article 50 GR 42/2024

⁷ Article 7 GR 42/2024

⁸ Article 132 GR 42/2024

⁹ Article 130 GR 42/2024

¹⁰ Article 50 GR 42/2024

¹¹ Article 183-184 GR 42/2024

¹² Article 154 GR 42/2024

To ensure smooth business operations and maintain revenue, as well as to preserve and expand the market in Indonesia, which is highly sensitive to halal products, business actors must comply with various regulations related to halal certification and maintain the halal status of their products and services. This is a crucial step in maintaining consumer trust and supporting sustainable business growth amid increasingly intense market competition. Sanctions for non-compliance may be imposed in stages from administrative sanctions such as a written warning, administrative fine, revocation of halal certificate, up to withdrawal of products and/or services from the market.

Ultimately, while the lifetime certification model reduces regulatory friction, the long-term success of this initiative depends on the business actors' commitment to comply with prevailing regulations and BPJPH's effective oversight. These efforts will help sustain consumer confidence and reinforce the national reputation of halal-certified products in Indonesia as safe, reliable, and ethically produced.

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The article above was prepared by Dentons HPRP's lawyers

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