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# National Halal Certification: A Juridical and Practical Study on the Balance between Administrative Compliance and Consumer Protection from the Perspective of Sharia Economic Law

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**ABSTRACT**

The mandatory halal certification requirement in Indonesia serves as a legal instrument aimed at ensuring legal certainty, protecting consumers, and enhancing the competitiveness of halal products at both national and international levels. However, the policy's implementation faces various challenges, particularly the gap between business operators' fulfillment of administrative obligations and the actual realization of substantive consumer protection. This study aims to analyze the balance between administrative compliance in halal certification and the effectiveness of consumer protection from the perspective of Sharia Economic Law. It employs a normative-juridical method utilizing statutory, conceptual, and analytical approaches. Data were gathered through a literature review of legislation, scholarly works, and documents related to Indonesia's Halal Product Assurance system. A descriptive-qualitative analysis was conducted by integrating consumer protection principles with the values of *maqāṣid al-syarīʿah* (the objectives of Sharia). The findings indicate that halal certification implementation tends to focus heavily on administrative procedures, whereas aspects such as oversight, sustainability, information transparency, and law enforcement have yet to fully guarantee effective consumer protection. From the perspective of Sharia Economic Law, consumer protection encompasses not only the rights to safety and information but also the spiritual right to consume products that are halal, safe, and compliant with Sharia principles. Therefore, a reconstruction of the halal certification policy is necessary; this policy should move beyond a mere focus on administrative legality and instead integrate values of justice, public interest (*maslahah*), transparency, and accountability to establish a halal product assurance system that is more effective, equitable, and comprehensively protective of consumers.

**Keywords:** National Halal Certification; Halal Product Assurance; Consumer Protection; Administrative Compliance; Sharia Economic Law.

## Introduction

As the country with the world's largest Muslim population—numbering approximately 237.53 million—Indonesia bears both a moral responsibility and possesses immense market potential to become a pioneer in the governance of halal products (D. E. S. et Al. 2025). The Global Islamic Economy Report consistently shows that Indonesia is among the countries with the highest levels of halal food and beverage consumption in the world. However, the institutional system established to ensure the integrity of halal products still faces various structural weaknesses (A. A. et Al. 2025). Law Number 33 of 2014 concerning Halal Product Assurance (JPH Law) represents a legislative commitment to transform halal certification from a mechanism that was previously voluntary and market-oriented into a state-regulated, mandatory requirement with binding force across all product categories (Svinarky 2020). This provision is reinforced by Government Regulation Number 39 of 2021 concerning the Implementation of Halal Product Assurance, which designates the Halal Product Assurance Organizing Agency (BPJPH) as the primary authority responsible for regulating, supervising, and enforcing halal product assurance

across Indonesia—a region characterized by a vast and diverse market (Kusumaningsih 2023). Despite the establishment of a comprehensive regulatory framework, implementation still faces a gap between legal norms and institutional capacity. This issue has become increasingly pronounced as the October 2026 deadline for mandatory halal certification approaches, with BPJPH facing pressure to meet registration targets—a situation that risks compromising the quality of oversight regarding business compliance (Warto, Warto Warto, Atep Hendang Waluya 2026).

The dominance of micro, small, and medium enterprises (MSMEs) within the halal industry ecosystem demonstrates that the effectiveness of halal governance relies heavily on the regulatory system's ability to accommodate the sector's capacity, compliance levels, and oversight requirements. However, regulatory policies and institutional frameworks remain largely oriented toward large-scale enterprises with more structured production systems, often leaving MSMEs subject to suboptimal oversight. Yet, the Halal Product Process (PPH) encompasses not only the use of raw materials but also every stage of production, the condition of facilities and infrastructure, supply chain integrity, and the competence of the appointed Halal Supervisor. Consequently, meeting PPH standards requires an oversight mechanism that is continuous, comprehensive, and adaptable to the specific characteristics of individual business operators (Sukri 2021). Regulatory reforms regarding halal product assurance in Indonesia introduced a self-declaration mechanism as a tool to expand access to certification, particularly for small-scale businesses. However, this innovation has also become one of the most controversial policies, sparking debate over the balance between administrative ease, the effectiveness of oversight, and the protection of the integrity of halal product assurance (Musataklima 2023).

Understanding the legal construction, the basis for its establishment, and the supervisory implications inherent in the mechanism is crucial to demonstrating that the law enforcement gap identified in this study is not merely an administrative issue; rather, it reflects structural weaknesses embedded in the design of the regulatory system. From a normative standpoint, the legal basis for the Halal self-declaration mechanism is rooted in Law Number 33 of 2014 concerning Halal Product Assurance (UU JPH), which mandates that every product traded in Indonesia obtain Halal certification through a verification process involving the Halal Product Assurance Organizing Agency (BPJPH) and accredited Halal Inspection Agencies (LPH) (Al. 2026). Regulatory reform in the halal product assurance sector has introduced fundamental changes to the certification mechanism through the addition of Article 4A to Law Number 33 of 2014 concerning Halal Product Assurance. This provision empowers Micro and Small Enterprises (MSEs) to establish the halal status of their products via a self-declaration mechanism, bypassing the comprehensive inspection process mandatory for large-scale enterprises. This policy reflects a shift in regulatory orientation from an approach emphasizing rigorous verification toward a more inclusive model that facilitates easier access for MSEs. This approach is grounded in the recognition that applying conventional certification procedures to all MSEs could hinder their ability to meet halal certification obligations and participate legally in the market. The implementation of the self-declaration mechanism is further detailed in Government Regulation Number 39 of 2021 concerning the Implementation of Halal Product Assurance and Minister of Religious Affairs Regulation Number 20 of 2021; these regulations outline various requirements, including mandatory training on the Halal Product Process (PPH), the use of halal-certified raw materials, and the maintenance of production processes to ensure continuous protection against contamination by *najis* (impurities) or elements prohibited under Islamic law (A. K. et Al. 2023).

For the Muslim community in Indonesia, consuming halal products is not merely a matter of consumer preference or market choice; it is a religious obligation with a profound spiritual dimension. Consequently, the state's failure to ensure that products labeled as halal genuinely comply with Halal Product Process (PPH) requirements not only causes economic loss to consumers but also potentially infringes upon their spiritual rights. These rights can be interpreted as part of the constitutional guarantee of religious freedom—as stipulated in Articles 28E and 29 of the 1945 Constitution of the Republic of Indonesia—which must be read

systematically alongside consumer rights to safety, comfort, and accurate, clear, and honest information, as mandated by Law Number 8 of 1999 concerning Consumer Protection (Putu Gede Prema Sena, Anak Agung Sagung Laksmi Dewi 2022). This is in line with the framework of this analysis, enriched with the perspective of Maqāṣid al-Sharīʿah, which places the protection of religion (hifẓ al-dīn), soul (hifẓ al-nafs), and property (hifẓ al-māl) (Nikmah 2018). The theory of *Maqāṣid al-Syarīʻah* formulated by Imam Al-Ghazali and subsequently developed more comprehensively by Imam Al-Syatibi (Andri Soemitra, Awaluddin Awaludin 2021).

The perspective of *Maqāṣid al-Syarīʻah* asserts that halal product oversight cannot be reduced merely to an administrative obligation. Instead, such oversight constitutes a fundamental protective mechanism, as it is oriented toward achieving the core objectives of Sharia: safeguarding religion (*ḥifẓ al-dīn*), preserving the safety of life (*ḥifẓ al-nafs*), and protecting the wealth (*ḥifẓ al-māl*) of Muslim consumers from the risks associated with consuming products that do not comply with Sharia principles (Fatkhul Wahab 2024).

## Methods

This study employs a normative legal research method—an approach that focuses on legal norms contained in legislation, legal doctrine, and legal principles relevant to halal product supervision and consumer protection in Indonesia (Irwansyah 2021). This study utilizes legal materials classified into three types (Marzuki 2014). The primary legal materials in this study consist of laws and regulations that directly govern halal product assurance and consumer protection. Meanwhile, secondary legal materials comprise various scholarly sources—such as books, journal articles, and findings from previous research—as well as the views of legal experts examining halal product oversight and the protection of consumer rights.

The collection of legal materials for this study was conducted through systematic library research, involving the identification, classification, and documentation of various primary, secondary, and tertiary legal materials relevant to the research subject (Soekanto 1986).

## Results and Discussions

### Revitalizing the Legal Framework for Halal Product Process Supervision for Micro and Small Enterprises

Government Regulation Number 39 of 2021 concerning the Implementation of Halal Product Assurance is the most comprehensive implementing regulation for carrying out the supervisory mandate stipulated in the Halal Product Assurance Law (UU JPH) (Marhaen 2022). The provisions of Articles 72 through 78 of Government Regulation Number 39 of 2021 set forth in detail the mechanism for supervising the Halal Product Process (PPH), designating the BPJPH as the primary authority responsible for conducting such supervision and defining the objects of supervision, which include halal ingredients, the halal product process, and halal labeling (Fredo 2022).

The self-declaration mechanism established by Law Number 11 of 2020 on Job Creation—through the insertion of Article 4A into the Halal Product Assurance (JPH) Law—has further increased the complexity of the halal oversight system. However, this aspect remains subject to limited provisions within the existing regulatory framework, failing to provide a comprehensive regulatory arrangement (Riswandie 2026). The strongest legal basis for the protection of Muslim consumers rests not only on the Consumer Protection Law but also on the constitutional guarantee of freedom of religion, as stipulated in Articles 28E and 29 of the 1945 Constitution of the Republic of Indonesia. These constitutional provisions mandate that the state guarantee not merely the formal freedom to profess a religion, but also the ability of every citizen to practice their religious teachings in a tangible manner—including the right of Muslim consumers to make consumption decisions that align with Sharia principles (Musfafa 1980).

Weaknesses in the oversight of halal product governance in Indonesia are closely linked to the violation of consumer rights. This relationship is not merely hypothetical; rather, it is a structural consequence of the prevailing regulatory design, reflected in various empirical issues

stemming from suboptimal institutional functioning. Therefore, any analysis of consumer rights violations must begin with an understanding of the mechanisms that give rise to these oversight weaknesses, given that the harm suffered by consumers is a direct result of failed law enforcement within the halal product assurance system. Under Law Number 33 of 2014 concerning Halal Product Assurance, oversight is conducted through two primary channels: routine oversight—as part of the administrative supervision function—and complaint-based oversight, which serves as a response to reports or objections submitted by the public (Rohama Ubainahum, Anzu Elvia Zahara 2024). Halal supervision that runs effectively is an operational means to realize these three dimensions of protection. Therefore, failure to implement it directly contradicts the main objective (maqāṣid) of Islamic law (Sahin Husain, Nasir Purkon Ayoub 2024). Basyirah posits that the dynamics of consumer trust in halal-labeled products across Muslim-majority countries are significantly influenced by the responsiveness of the relevant authorities. Her research findings indicate that consumers' willingness to utilize complaint mechanisms depends on their experiences regarding institutional responsiveness. If an agency is perceived as unresponsive, the use of complaint channels tends to decline, even when such mechanisms are formally available (Basyirah Mustarin, Andi Nurfajri 2024).

These findings explain the low number of complaints received by BPJPH relative to the vast scale of the halal market, which is dominated by Micro and Small Enterprises (MSEs). This situation reflects a self-reinforcing cycle wherein low institutional responsiveness diminishes consumer trust and willingness to lodge complaints. Consequently, the decline in public complaints weakens the public pressure that would otherwise drive improvements in the oversight body's performance and accountability. From the perspective of *Maqāṣid al-Syarīʻah*, low consumer literacy combined with suboptimal institutional responses directly undermines the protection of Muslim consumers' wealth (*ḥifẓ al-māl*). This situation increases consumer vulnerability to transactions involving *tadlīs* (deception) or unverifiable halal claims, thereby preventing the full realization of the Sharia objective of ensuring certainty and protecting wealth (N. F. et Al. 2023). From the perspective of Islamic Sharia, the state has an obligation to establish an integrated and effectively functioning system to safeguard the public interest, including guaranteeing the right of Muslims to consume products that are genuinely halal. Consequently, poor inter-agency coordination reflects not only administrative weakness but also a failure to fully realize the state's role as a guardian of the public interest (*riʻāyat al-maṣāliḥ*)—a fundamental principle of *Maqāṣid al-Syarīʻah* (Harahap 2024).

## Conclusion

The implementation of national halal certification serves as a crucial instrument for ensuring legal certainty, enhancing the competitiveness of halal products, and providing consumer protection. However, research indicates a persistent gap between the administrative compliance of business operators and substantive consumer protection. An approach that prioritizes the fulfillment of administrative requirements fails to fully guarantee consistent product halal status, effective oversight, information transparency, or the enforcement of laws against violations. From the perspective of Sharia economic law, consumer protection extends beyond economic and positive legal aspects to encompass the fulfillment of Muslim consumers' spiritual rights to obtain products that are halal, safe, and compliant with Sharia principles. Consequently, the national halal certification system requires development through strengthened post-certification oversight, enhanced stakeholder accountability, the enforcement of proportionate sanctions, and the integration of *maqāṣid al-sharīʻah* values—specifically the protection of religion (*ḥifẓ al-dīn*), life (*ḥifẓ al-nafs*), and property (*ḥifẓ al-māl*). In this way, a balance between administrative compliance and consumer protection can be achieved, ensuring that the halal product assurance system not only meets formal legal requirements but also delivers public benefit, justice, and legal certainty in a sustainable manner.

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**Conflicts of interest**
None.

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