Regulations of Halal Certification in Small and Medium Micro Business Products (UMKM) in Indonesia

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Abstract
This research is motivated by the many products of Micro and Small and Medium Enterprises (UMKMs) developing in Indonesia, where UMKM products, especially food products to be circulated, must guarantee the safety, quality, nutrition, and most importantly the halalness of the products, which can realize through certification halal which of course also requires a legal umbrella governing it. In connection with the purpose of this study is to analyze and provide understanding related to the regulation of halal certification on UMKM products. Research that uses a normative legal research method with a statutory approach, this conceptual gives results in the form of a statement that up to now, there is no specific halal certification arrangement and specifically discusses UMKMs. At the end of this study, the researcher also advised the government to make regulations governing the halal certification of UMKMs in Indonesia.

Keywords: Certification, Halal, Corporatives Small and Medium Enterprises (UMKM).

Introduction
Economic development and population are influence the increasing demand for food products or other business products in Indonesia. The expanding market then received responses from business actors by opening various businesses, both Corporatives Small and Medium Enterprises (UMKM) by providing multiple basic needs (primary) or other daily needs, especially food products. According to evidence from a report submitted by the Ministry of Cooperatives and Small and Medium Enterprise of the Republic of Indonesia, which states that in

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2017, the number of UMKMs in Indonesia was 59.2 million business units, and 3.79 million of the number of UMKMs had utilized the online platform in marketing their products.2

Therefore, the UMKM products to be circulated must guarantee safety, quality, and nutrition, especially food products, considering that food products are basic human needs.3 This needs to do because free trade both regionally and internationally has entered Indonesian business, including for food products, even though food products originating from outside the country of Indonesia are not all products that are safe for consumption, it is also possible that these products contain illicit elements and another elements that endanger human health.4 Related to this, the products that enter Indonesia, including UMKM products must pay attention to the safety and especially the halal of the product, considering that Indonesia as one of the countries that has the largest Muslim population in the world, is certainly very concerned about whether or not halal food or products bought. In addition to the orders of religion, as well as an effort to consume foods that are healthy, clean, safe, and quality to maintain the health of the human body.

The explanation, as described above, shows that the halal status of a UMKM product, including food that will distribute to the public, is essential and necessary, especially for the benefit of the people of Indonesia. In this regard, the state must contribute to giving attention to the guarantee of the halal status of a product. The protection of the country is not only as an effort to protect the entire Indonesian people but also to realize public welfare and a form of a state guarantee in giving independence to each resident to embrace their respective religions and to worship according to their faith and belief.5 In this regard, the implementation of state protection against the halal nature of an UMKM product is in the form of organizing a halal certification program.

Halal certification is an acknowledgment of the halal status of a Product issued by the Halal Product Guarantee Agency (BPJPH) based on the fatwa of the Indonesian Ulama Council (after this abbreviated as MUI).6 Halal certificates are made to provide halal guarantees for a product, provide comfort, safety, certainty, security, availability of halal products for the community, and to increase production and sales of business products.7 Concerning the purpose of holding halal certification itself, which is to provide certainty related to the Halal status of a product, where it does as a form of fulfillment of consumer rights, also, consumer confidence in an otherwise halal product will affect consumer interest and purchase levels of the product.8

In connection with the explanation as described above, given the halal certification of UMKMs as intended is necessary, a legal umbrella is needed to regulate the mechanism or matters relating to the issuance of halal certificates. Based on this, the author is interested in discussing the topic as outlined in the central theme "Regulation of Halal Certification in Micro, Small and Medium Enterprises (UMKM) Products in Indonesia." The issue that needs to discuss is whether the law in Indonesia has accommodated the halal certification arrangements for Micro, Small, and Medium Enterprises (MSME) products.

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6 See article 1 (10) Law Number 33 of 2014 concerning Halal Products Guarantee.
7 Ikhsan Abdullah, Disertasi: Tanggungjawab Negara Terhadap Kewajiban Sertifikasi Halal Dalam Sistem Hukum Indonesia. (Jember: Doctoral Program Faculty of Law, University of Jember, 2018), p. 91.
Materials and Methods

Research in scientific papers uses normative legal research or often referred to as doctrinal legal research (doctrinal research), which is research aimed at providing detailed and systematic explanations conducted by studying various legal rules, analyzing the relationships between rules one law with other statutory regulations, and predict the development of legal regulations in the future. In connection with this definition, Soejono and Abdurrahman suggested that the object of the study of doctrinal law research is the legal documents and literature. In this regard, the topic that will also be the object to be discussed in this scientific paper is the legal rules in Indonesia which regulate halal certification in Micro, Small and Medium Enterprises (UMKM) products.

In its implementation, the author uses sources derived from the Qur'an and the Hadith as a basis for sharia. The author also uses several approaches to search for targets that are examined using a field of science so that research focuses on the problems discussed following the specified scope. In this regard, there are two approaches to writing scientific papers, namely the statutory approach and the conceptual approach. The legislative approach is carried out by reviewing the laws and regulations relating to the legal issues, so the method in this study is applied to examine the laws and regulations that govern the halal certification of Micro, Small and Medium Enterprises (MSME) products in Indonesia. One of the regulations used is the Republic of Indonesia Law No. 33 of 2014 concerning Halal Product Guarantee.

Concerning the conceptual approach, carried out by referring to legal principles that can obtain in the view of legal scholars or other legal doctrines. It should also note that in using this approach, the researcher does not move from existing regulations. Still, this approach carries out because no laws are governing it, so it needs to trace in the view of scholars and legal doctrines as referred to above. In this regard, in the writing of this scientific painting, a conceptual approach was applied to explore matters relating to halal certification in the products of Micro, Small and Medium Enterprises (MSMEs) in Indonesia, where the author found in legal textbooks, and other legal journals.

The Discussion

Every entrepreneur or producer is obliged to fulfill the rights of consumers, as stated in Article 4 of the Protection Act, including Muslim consumers, and one way to fill the rights of these consumers is by producing halal products as a form of responsibility of entrepreneurs or producers to Muslim consumers. Related to this, in Indonesia itself, to provide confidence to consumers and prove the truth of the halal nature of a product, each producer must have a Halal Certificate issued by the Halal Product Guarantee Agency (BPJPH) under the Ministry of Religion (Kemenag) where previously this authority was held by the Indonesian Ulema Council (hereinafter abbreviated as MUI). Halal certification, according to the JPH Law, is the recognition of the halal status of a product issued by BPJPH based on a written halal fatwa issued by MUI. Halal certificates are made to provide halal guarantees for a product, while the purpose of holding halal warranties for a product is to provide comfort, safety, certainty, security, and the availability of halal products for the community, as well as to increase

12 Peter Mahmud Marzuki. Penelitian Hukum. (Jakarta: Kecana Prenada Media, 2005), p. 93
14 Ibid.
16 See article 1 (10) Law Number 33 of 2014 concerning Halal Products Guarantee

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production and sales of business products. Concerning the purpose of holding halal certification itself, which is to provide certainty related to the halal status of a product, where it does as a form of fulfillment of consumer rights, besides, consumer confidence in an otherwise halal product will also affect consumer interest and purchase levels of the product.

In this regard, NurWachid, Head of Indonesia Halal Training & Education (IHATEC), said that halal certificates are essential and needed because, in international trade, halal is a barometer of product quality, including it, is essential for UMKM products. That is because, with the halal certificate, UMKM products will be able to compete in the international arena, bearing in mind that halal certificates are one of the conditions of export, mainly to Muslim countries. This shows that halal certification is needed, especially in the field of trade, and is especially beneficial for Muslim consumers. Benefits of halal certificate as intended, including:

1. Halal certificate as a tool or evidence for Muslim consumers to be protected from food, drugs, or cosmetics that are not halal (haram);
2. Make consumers feel calm and believe in the products they consume;
3. Defend the body and soul from adversity due to products that are not halal (haram);
4. Providing protection and legal certainty to consumers.

Based on the explanation above, it can show that the halal certificate as intended is an effort to protect consumers, bearing in mind that consumers have rights that must fulfill, one of which is the right to security, comfort, and safety in consuming goods and/or services. Related to this, the consumer has the right to know and get complete information related to the product purchased, including information about the halal of the product. In connection with this matter, the regulation regarding halal itself has mention in Act Number 8 of 1999 concerning Consumer Protection, which states that:

"Business actors are prohibited from producing and/or trading goods and/or services that do not comply with the provisions of halal production, as the" halal "statement stated on the label."

The above provisions indicate that every business product, including traded UMKMs, must be halal-produced, meaning that UMKM products ranging from materials, tools, to the process do not conflict with Islamic law (haram). This is done as an effort to protect consumers and business products, including UMKMs, to get the halal certification as a form of Halal Product Guarantee.

In the same year, the government then issued Government Regulation of the Republic of Indonesia Number 69 of 1999 concerning Food Labels and Advertisements (hereinafter referred to as PP No. 69 of 1999 regarding Food Labels and Advertisements) as a form of implementation of Law Number 7 of 1996 concerning Food which then changed to Law Number 18 of 2012 concerning Food. This PP also mentions the halal term contained in Article 10 PP No. 69 of 1999 concerning Food Labels and Advertisements, the contents of which are as follows:

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22 See article 4 Law Number 8 of 1999 concerning Consumer Protection.
23 See article 8 (1) h Law Number 8 of 1999 concerning Consumer Protection.
24 See article 35 law Number 7 of 1996 concerning Food which explains the provisions that related to Food Labels and Ads.
“Everyone who manufactures or puts food that is packaged into Indonesian territory for trade and declares that the food is halal for Muslims, is responsible for the truth of the statement and must include a statement or halal writing on the Label.”

The above provisions explain that the inclusion of halal information or writing on business product labels including UMKMs in the form of food is an obligation if the party producing and/or entering the product into Indonesian territory and provides a statement that the product is halal to be used or consumed by Muslims, while producers who issued the report is responsible for its truth. The truth of halalness on the label of business products, including UMKMs as intended, is not only proven in terms of raw materials, food additives, or other supplementary materials used in producing food but must also be determined in the production process. Related to this, to support the validity of the halal statement as intended, producers must first check their products at the inspection body that has been accredited by the National Accreditation Committee following the provisions of the prevailing laws and regulations. This is done to avoid the emergence of doubt among Muslims regarding the truth of halal statements made by producers and for the progress of their businesses so that consumers are interested and trusted.

Often, the need for halal products is also increasing. This can be seen based on data from the MUI Drug and Cosmetic Food Assessment Institute, from 2005 to 2014, LPPOM MUI has issued as many as 26,979 halal certificates from a total of 8,636 companies. In connection with these data, in 2014, the Indonesian government issued Law of the Republic of Indonesia Number 33 of 2014 concerning Halal Product Guarantees (in the future referred to as the JPH Law). The issuance of the JPH Law is a central, humanist, progressive, established, accommodative, and non-discriminatory legal system in regulating matters relating to the implementation of halal thayyiban (halal and suitable) for business products including UMKMs. Related to this matter, it is also necessary to understand that the JPH Law issue with a number of underlying grounds, including:

First, the philosophical foundation, where halal and haram are explained as something very principle because there is a relationship between humans and God Almighty; Second, the sociological foundation, is intended to remember that the public has realized and understood that there are still many products, especially food, that are doubtful. That is because there is no evidence to show that the product is genuinely halal, so that people need legal protection as a form of certainty and guarantee of halal products being sold; Third, Juridical Basis, where there is no optimal regulation or legal protection to protect the public from non-halal products, even though this is really necessary; Fourth, the Economic Platform, where many developed countries (International trade) already have directions for consumers to get halal food; Fifth, the Psychopolitical Foundation, that is, in this case, the involvement of the business world is needed so that the effort to form the JPH Bill is accepted and not rejected only because of the assumption that the halal guarantee system will cause a high-cost economy. Based on this, it can be shown that basically, the JPH Law was formed as a form of guarantee for halal products, bearing in mind the negligence of a product is very important for business products, including UMKMs.

Regarding this matter, the halal status of a product, the JPH Law does regulating it, that's implement in a clause related to halal criteria, which can see in Article 17 of the JPH Law which divides halal standards into two

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25 See explanation Article 10 Government Regulation Number 69 of 1999 concerning Food Labels and Advertisement.
26 See Article 11 (1) Government Regulation Number 69 of 1999 concerning Food Labels and Advertisement.
27 See Article 11 (1) Government Regulation Number 69 of 1999 concerning Food Labels and Advertisement.
28 See explanation Article 11 (1) Government Regulation Number 69 of 1999 concerning Food Labels and Advertisement.
categories namely materials and also the manufacturing process or how to obtain the product. In connection with the first aspect, the materials used to be said to be halal products are raw materials, processed materials, additives, and auxiliary materials. Concerning the first criterion, equipment defines as material derived from animals, plants, microbes as material produced through chemical processes, biological processes, or genetic engineering processes. Concerning material derived from animals, it should note in advance that in Islam, not all animals are allowed to be used as business products, such as the types of animals, as mentioned in the QS. Al-Maidah, Paragraph 3. It is also regulated in the JPH Law listed in Article 18 paragraph (1) of the JPH Law which states that materials derived from animals that are forbidden consist of carcasses, blood, pigs and / or, animals which slaughter is not following the Shari'a (in this case Islamic Sharia). In connection with this explanation, there are also other types of animals that are forbidden and forbidden to be consumed or used as material for business products, namely dung-eating animals (al-Jalalah), disgusting animals, and livestock that have contracted the disease. These types of animals may not be consumed or used as business products. Regarding material derived from plants, all kinds of plants are halal, except for plants that can cause a person to get drunk and/or endanger health, so it is haraam to be consumed or used for business products, for example, cannabis plants. The last type of material that is material produced through chemical processes, biological processes, or genetic engineering processes, the process of growth and/or manufacture, is mixed, contained, or contaminated with forbidden materials, as mentioned in the previous explanation. Referring to the statement that has described above so that a business product, including UMKM products, can be said to be halal, then the product to be sold or produced must not contain ingredients that are forbidden by the Shari’a (Islam) as previously described.

In connection with the second aspect, namely the process of making or how to get it, where the meaning of the process as intended, in the JPH Law, means that the location, place and process equipment of halal products must be separate from the location, place, and tools for slaughter, processing, storage, packaging, distribution, sale and presentation of non-halal products. Concerning this matter, besides having to be separated, the location, place, and tools of the halal product process must be kept clean and hygienic, free from unclean; and free from non-halal materials. Related to this explanation, MSME products must pay attention to how to obtain materials to the manufacturing process so that they do not get into the production process, and there are things that contain illicit or unlawful elements or other situations, as explained above.

Besides, to realize the halalness of a business product, including UMKMs as a form of legal certainty, this can be proven by the existence of a Halal Certificate. Halal certificates are mandatory by business actors; even the obligation of business actors to take care of halal certification of their products has regulate in Article 4 of the JPH Law, which states that Products that enter circulate, and trade in the territory of Indonesia must be halal.

32 See Article 17 paragraph (1) Law Number 33 of 2014 concerning Halal Products Guarantee.
33 See Article 17 paragraph (1) Law Number 33 of 2014 concerning Halal Products Guarantee.
34 The translation follows: Prohibited to you are dead animals, blood, the flesh of swine, and that which has been dedicated to other than Allah, and (those animals) killed by strangling or by a violent blow or by a head-long fall or by the goring of horns, and those from which a wild animal has eaten, except what you (are able to) slaughter (before its death), and those which are sacrificed on stone altars, and (prohibited is) that you seek decision through divining arrows. That is grave disobedience. This day those who disbelieve have despaired of (defeating) your religion; so fear them not, but fear Me. This Day I have perfected for you your religion and completed My favor upon you and have approved for you Islam as religion. But whoever is forced by severe hunger with no inclination to sin - then indeed, Allah is Forgiving and Merciful.
36 See Article 20 Paragraph (1) Law Number 33 of 2014 concerning Halal Products Guarantee.
37 See Article 20 Paragraph (2) Law Number 33 of 2014 concerning Halal Products Guarantee.
38 See Article 21 Paragraph (1) Law Number 33 of 2014 concerning Halal Products Guarantee.
39 Article 21 Paragraph (2) Law Number 33 of 2014 concerning Halal Products Guarantee.
certified.\textsuperscript{40} Halal Product Guarantee Provider Agency (from now on abbreviated as BPJPH) aim at organizing Halal Product Guarantee activities.\textsuperscript{41} BPJPH, in this case, has the authority, including formulating and stipulating JPH policies, specify JPH norms, standards, procedures and criteria, issue and revoke Halal Certificates, and Halal Labels on Products, etc.\textsuperscript{42} In this regard, in exercising its authority, the BPJPH cooperates with relevant Ministries and/or institutions, the Halal Examination Institution (from now on abbreviated as LPH), and the Indonesian Ulama Council.\textsuperscript{43}

Furthermore, from the three agencies/institutions, BPJPH's collaboration with MUI is better known and heard by the public. This is because so far, the handling of halal certification of a product, including MSME, is the authority of the MUI, from registration to issuance of halal certificates. Related to this, if referring to the jurisdiction of JPH as mentioned above, the power to issue and revoke halal certificates is the authority of BPJPH. In connection with the administration of the MUI it has also been regulated in the JPH Law precisely stated in Article 10 paragraph (1) of the JPH Law which states that BPJPH's cooperation with the MUI is in the case of Halal Auditor certification, determination of Product halalness and accreditation of the Halal Examination Institution. Concerning the resolution of the halal product as intended, MUI issue in the form of a Product Obligation Decision,\textsuperscript{44} where the process is carried out through the Halal Fatwa Trial,\textsuperscript{45} which is followed by experts, elements of ministries or institutions, and/or related agencies.\textsuperscript{46} The results of the Decision on the Determination of Halal Products issued by the MUI are then submitted to BPJPH to be the basis for the issuance of Halal Certificates.\textsuperscript{47} It should be noted in advance, that the publication of halal certificates can be issued by BPJPH if there is a request for issuance from the business actor, where if the submission is received, then BPJPH will issue a halal certificate. Still, if the bid rejects, then the filing file will be returned to the business actor as the applicant.\textsuperscript{48} In connection with financing halal certification, the JPH Law also explains that other parties can facilitate the cost of halal certification for micro and small businesses.\textsuperscript{49}

In connection with the word "other party" as referred to by the government, it is then regulated further through the issuance of Government Regulation Number 31 Year 2019 of the Republic of Indonesia concerning Regulations for Implementing Law Number 33 of 2014 concerning Halal Product Guarantees (hereinafter referred to as JPH Implementation PP), whereby The PP stated that the other parties involved to included: \textsuperscript{50} 1) the central government through the state budget of income and expenditure; 2) Regional government through regional revenue and expenditure budget; 3) Company; 4) Social institutions; 5) Religious institutions; 6) Association, or 7) Community. Other regulations in this PP also regulate BPJPH's collaboration with relevant Ministries,\textsuperscript{51} related institutions,\textsuperscript{52} LPH,\textsuperscript{53} and MUI,\textsuperscript{54} which are regulated in full and in a separate clause.

\textsuperscript{40} See Article 4 Law Number 33 of 2014 concerning Halal Products Guarantee.
\textsuperscript{41} See Article 1 Law Number 33 of 2014 concerning Halal Products Guarantee.
\textsuperscript{42} See Article 6 Law Number 33 of 2014 concerning Halal Products Guarantee.
\textsuperscript{43} See Article 7 Law Number 33 of 2014 concerning Halal Products Guarantee.
\textsuperscript{44} See Article 10 Paragraph (2) Law Number 33 of 2014 concerning Halal Products Guarantee.
\textsuperscript{45} See Article 33 Paragraph (2) Law Number 33 of 2014 concerning Halal Products Guarantee.
\textsuperscript{46} See Article 33 Paragraph (3) Law Number 33 of 2014 concerning Halal Products Guarantee.
\textsuperscript{47} See Article 33 Paragraph (6) Law Number 33 of 2014 concerning Halal Products Guarantee.
\textsuperscript{48} See Article 34 Law Number 33 of 2014 concerning Halal Products Guarantee.
\textsuperscript{49} See Article 44 Paragraph (2) Law Number 33 of 2014 concerning Halal Products Guarantee.
\textsuperscript{50} See Article 62 paragraph (2) of the Government Regulation of the Republic Indonesia concerning Regulations for Implementing Law Number 33 of 2014 about Halal Products Guarantee.
\textsuperscript{51} See Article 5-13 of the Government Regulation of the Republic Indonesia concerning Regulations for Implementing Law Number 33 of 2014 about Halal Products Guarantee.
\textsuperscript{52} See Article 14-19 of the Government Regulation of the Republic Indonesia concerning Regulations for Implementing Law Number 33 of 2014 about Halal Products Guarantee.
Results
Based on the explanation that has described above, it can conclude that the law in Indonesia to date has not accommodated halal certification arrangements for UMKM products more specifically, although, in some regulations about MSME products, the control is not yet clear and detailed. It can be seen from several rules related to halal certification in Indonesia, which consists of:
1. Law of the Republic of Indonesia Number 33 the Year 2014 concerning Guarantee of Halal Products
2. Government Regulation Number 31 the Year 2019 of the Republic of Indonesia concerning Regulations Implementing Law Number 33 the Year 2014 concerning the guarantee of Halal Products

Suggestion
The author, in this case, advises the government to make regulations governing the halal certification of UMKMs in Indonesia, bearing in mind that currently, many MSMEs are appearing. The provision mainly relates to halal certification financing for MSMEs, which according to Article 44 paragraph (2) of the Law of the Republic of Indonesia Number 33 of 2014 concerning Halal Product Guarantee, can be facilitated by other parties, where the provisions have not been clearly and regulated explicitly regarding the amount costs or financing mechanisms.

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Books and Journals


54 See Article 25-29 of the Government Regulation of the Republic Indonesia concerning Regulations for Implementing Law Number 33 of 2014 about Halal Products Guarantee.


**Legislations**

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