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GOI Issues New Implementing Regulation on Halal Product Assurance

Report Categories:

Special Certification - Organic/Kosher/Halal
Trade Policy Monitoring

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Report Highlights:

President Joko Widodo has signed Government Regulation No. 31/2019 regarding provisions for implementing Indonesia's 2014 Halal Product Assurance Law. This regulation is the first of several expected implementing regulations related to the 2014 law. Key provisions include the role of the Halal Product Assurance Organizing Agency (BPJPH) in coordinating and cooperating with Government of Indonesia (GOI) Ministries, Agencies and, the Indonesian Ulama Council (MUI), the accreditation process for domestic and international halal certifiers and guidelines for the Halal Product Process.

General Information:

Government Regulation No. 31/2019 emphasizes the requirement to all Product (defined in Article 1 as goods and/or services related to food, beverages, medicine, cosmetics, chemical products, biological products, genetically engineered products and consumer good work, used, or utilized by the public) be halal certified, except for those products which originate from *haram* (forbidden) material. The regulation is one of several expected to be issued by various GOI Ministries to address the implementation of the 2014 Halal Product Assurance Law. Many of the details related to specific products, packaging, labeling and halal certification requirements are expected in subsequent Ministerial regulations.

The Regulation is comprised of nine chapters:

Chapter 1: General Provisions

Chapter 2: Cooperation in Organizing Product Halal Assurance

Chapter 3: Halal Inspection Agency

Chapter 4: Location, Area and Equipment of Halal Product Process

Chapter 5: Halal Certification Fees

Chapter 6: Registration Procedures for Overseas Halal Certification Body (HCB) and Halal Certificates

Chapter 7: Phasing of Halal Certified Product Types

Chapter 8: Supervision

Chapter 9: Transitional Provisions

Explanatory Notations

Provisions Summary:*Chapter 1: General Provisions*

This chapter defines various terms of the regulation including and establishes the Halal Product Assurance Organizing Agency (BPJPH) as the lead GOI agency responsible for Product Halal Assurance. Article 1 defines the Halal Product Process as including material supply, product processing, storage, packaging, distribution and presentation.

Chapter 2: Cooperation in Organizing Product Halal Assurance

Under Article 4 BPJPH is established as the organization under the Minister of Religious Affairs responsible for and with authority to:

- formulate and set Halal Product Assurance (JPH) policy;
- set the norm, standard, procedure, and criteria of JPH;
- issue and revoke halal certificate and halal label on the product;
- conduct registration of halal certificate on product from overseas;
- socialize, educate, and publicize halal product;

- conduct accreditation to Halal Examination Agency (LPH);
- do registration halal auditor;
- supervise JPH;
- give guidance to halal auditor;
- collaborate with domestic and foreign institution in organizing JPH

Articles 5 – 13 establish the cooperation between BPJPH and other stakeholders including Ministry of Agriculture (MOA), Ministry of Foreign Affairs (MOFA), and the National Agency for Drug and Food Control (BPOM)), Halal Examination Agency (LPH), and Indonesian Ulama Council (MUI)

Notable areas of cooperation include:

- Ministry of Agriculture (Article 9): setting requirements for animal/poultry slaughtering house; setting guidelines on animal/poultry slaughtering; handling of meat and its derived products.
- Ministry of Foreign Affairs (Article 11): facilitating international cooperation; promoting halal products overseas; providing info on foreign halal certifying bodies.
- BPOM (Article 15): halal certification for medicine, traditional medicine, cosmetics, health supplements, and processed food; supervising those distributed halal products; providing recommendation to revoke halal certificate for those distributed products.
- MUI (Article 21): certifying halal auditor; setting product halalness; accrediting LPH.

Provisions related to International Cooperation as stated in Articles 25 – 29 provide for a reciprocal recognition of halal certificates issued by overseas halal agencies based on the acceptance of a reciprocity agreement by BPJPH in coordination with MOFA. Article 28 (3) states that Halal Certificates shall be accredited by local accreditation agencies of the country of origin that have obtained recognition in the regional or international accreditation cooperation organization. In subsequent public socializations of the regulation, BPJPH officials have noted that this provision is meant to establish a Mutual Recognition Agreement (MRA) between the country of origin and Indonesia. The precise requirements of such an agreement have yet to be determined.

Chapter 3: Halal Inspection Agency

This chapter covers the requirements for founding and operating a Halal Inspection Agency (LPH) in Indonesia. The requirements of this chapter generally do not pertain to overseas halal certifying bodies.

Chapter 4: Location, Area and Equipment of Halal Product Process

Article 43 requires the location, area and equipment of the Halal Product Process (PPH) be separated from non-halal Products. Furthermore, the definition of location, area and equipment is extended to include slaughtering, processing, storing, packaging, distribution, marketing and presentation.

Slaughtering requirements include physical separation barriers (Article 45), and slaughtering equipment not alternately used for non-halal animals (Article 47). General area and equipment requirements include separate processing areas for non-halal products, separate packing areas for non-halal products (Article 52), separate packing equipment (Article 53), separate distribution areas for non-halal products,

and separate marketing and presentation areas (Article 56-59).

Article 60 establishes criteria related to the separate distribution, marketing and presentation of non-halal fresh Product of animal origin and halal fresh Product of animal origin. The Article states that non-halal processed products of animal origin can be combined for distribution with halal processed Products of animal origin as long as there is no cross contamination and the equipment used is not also used for distribution of non-halal fresh products of animal origin. The marketing and presentation of both non-halal fresh and processed products must be separated from the marketing and presentation of halal fresh and processed products. Most retailers currently separate fresh non-halal products such as pork from halal fresh products.

Chapter 5: Halal Certification Fees

This chapter covers the fees related to halal certification within Indonesia and generally do not pertain to overseas halal certifying bodies. Business units are responsible for paying the fees related to halal certification. The fees are required to be efficient, affordable and non-discriminatory.

Chapter 6: Registration Procedures for Overseas Halal Certification Body (HCB) and Halal Certificates

According to Articles 64 – 67 and subsequent public socializations of the regulation by BPJPH officials, the procedures for registering Overseas Halal Certifications Body (HCB) and Halal Certificates are as follows:

All Foreign Halal Agencies or Halal Certification Bodies (HCB) are required to register with BPJPH. To register Halal Certificates HCB's must apply to BPJPH by attaching:

1. Document on HCB profile (country of origin, agency's name, status, address, director's name, phone number, contact person, email address).
2. Application for the extension of HCB's cooperation with the Ministry of Religious Affairs of the Republic of Indonesia/BPJPH
3. Organizational Structure
4. List of Syari'ah (Shari'ah) Council/Ulema
5. Foreign product halal certification process (HCB) including audit mechanism
6. Halal Product Scope of Object Assessment based on Halal: Goods and Services category competence and Conformity Assessment/Accreditation
7. Proof of the Halal Agency's cooperation with the Indonesian Ulema Council (MUI)
8. Proof of office ownership/lease
9. Proof of published and still valid halal certificates
10. Proof of accreditation from the standardization agency of the country of origin (ISO 17065 and Shari'ah requirements)
11. Proof of international accreditation (SMIIC/IHAV, etc.)/ if any
12. Proof of ownership/collaboration of ISO 17025 accredited laboratory and possession of equipment to identify DNA, as well as ethanol level determination

13. Recommendation from the local Embassy of the Republic of Indonesia
14. Data of the certified product
15. Proof of past and expired cooperation
16. Proof of HCB legality/recognition from the country of origin
17. Covering letter/recommendation from the embassy/representative of the country of origin in Indonesia

BPJPH has advised Halal Certifiers currently approved through MUI to apply for registration with BPJPH at least three months prior to the expiration of their current approval.

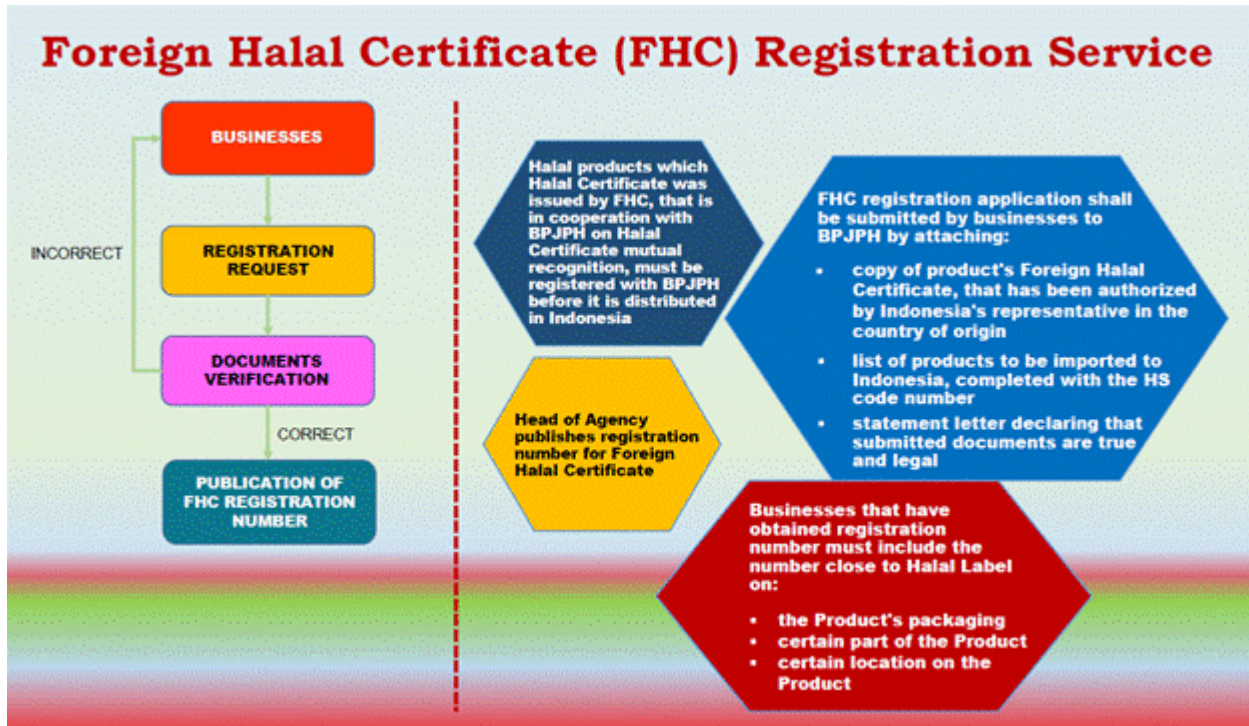


Process Flow provided by BPJPH

Article 65 states that HCB's are required to register their Halal Certificates with BPJPH. BPJPH officials have advised this is a one-time registration and should include a list of all products to be imported into Indonesia under the certificate. To register Halal Certificates HCB's must apply to BPJPH by attaching:

- a. copy of the relevant overseas Halal Certificate, ratified by the Indonesian representative abroad;
- b. list of goods to be imported to Indonesia, completed with the HS code number; and

- c. statement letter declaring that the delivered documents are true and legal.



Process Flow provided by BPJPH

Article 66 state that the Head of BPJPH will issue a registration number for overseas Halal Certificates, which is required to be printed adjacent to the halal label on the:

- a. packaging of the Product;
- b. certain part of the Product; and/or
- c. certain area of the Product.

Chapter 7: Phasing of Halal Certified Product Types

The regulation provides definitions for various types of goods and services, noting that the phase in period for each type will depend on various considerations. The regulation does not stipulate specific phase in dates for any goods or service category. However, through public socializations of the regulation BPJPH has advised that halal requirements for food and beverage products will be phased in over five years, beginning October 17, 2019 and reaching full implementation October 17, 2024. Product other than food and beverage will begin phase in October 17, 2019 and reach full implementation October 17, 2026.

Chapter 8: Supervision

This chapter outlines supervisory responsibilities of BPJPH related to halal assurance. Articles 76 and 77 outline the responsibilities and supervision authorities of Product Halal Insurance inspectors operating under BPJPH.

Chapter 9: Transitional Provisions

Article 82 notes that products that have “obtained Halal Certificate prior to the promulgation of this Government Regulation, or have obtained Halal Certificate in accordance with the provisions as referred to in Article 81, shall have the Halal Certificate valid until the expiration of the validity period of the Halal Certificate”.

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An unofficial translation of the regulation can be found [here](#).