



# The Assurance of the Product Halality of Cosmetics on E-Commerce

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**Abstract.** The subjects of this research are Producers and Consumers. The purpose of the research is to ensure the assurance of cosmetic products's halality which marketed through e-commerce as a form of Consumer's Protection. The research method used is Normative - Empirical Research, in which focuses on the implementation of a Regulation in society. According to the provisions of Act Number 33 Year of 2014 about Guaranteed Halal Product Article 1 number 1, products are goods and/or services related to food, beverages, drugs, cosmetics, chemical products, biological products, genetically engineered products, and used goods. Products which include to this category must be registered and certified halal. Especially cosmetic products that are marketed and sold through e-commerce. Cosmetic products are not only made in Indonesia, but also from abroad. Consumers must pay attention to the halal label. Producers must be more careful in choosing the cosmetics' ingredients, to avoid consumer's loss.

**Keywords:** Halal Product · Cosmetics · Halal Certification · E-Commerce

## 1 Introduction

Cosmetics are becoming an important part of people's lives, especially women. The definition of cosmetics according to the Great Dictionary of Indonesian (KBBI), is a drug (ingredient) to beautify the face, skin, hair and so on (such as powder, lip reddening). Then, reporting from Wikipedia, Cosmetics are a treatment substance used to improve the appearance or aroma of the human body.

Cosmetics have been around since ancient Egypt. For centuries, cosmetics have been used to beautify themselves and improve health. Cosmetics are also often used in religious rituals. Early evidence of the use of cosmetics was found by archaeologists on the tomb of King Pharaoh during Ancient Egypt. Cosmetics are mentioned in the Old Testament.

The difference between cosmetics that comes from the past and the present is that, most people in the past used cosmetics with natural ingredients available in nature. Meanwhile, for today, the manufacture of cosmetics uses chemical basic ingredients. This is because, the manufacture is not too difficult and its use can be durable.

In Western culture, women are the main user subjects of cosmetics. The use of cosmetics in men is rare, except for entertainment purposes, such as stage plays, theater,

and film. However, it turns out that not all Western women use cosmetics in the course of their history. This is because, in the history of Western culture, the 19th century, Queen Victoria openly stated that the use of cosmetics was inappropriate, vulgar, and only allowed for use by theatre performers. So, many Western women do not dare to wear cosmetics.

With regard to cosmetics, it is also regulated in the Regulation of the Minister of Health of the Republic of Indonesia Number 1175/MENKES/PER/VIII/2010, on Cosmetic Production Permits, the definition of cosmetics is an ingredient or preparation intended for use on the outside of the human body (epidermis, hair, nails, lips and outer genital organs) or teeth and mucous membranes of the mouth especially for cleaning, change the appearance and or improve body odor or protect or maintain the body in good condition.

With a population of about 250 million people, Indonesia is a promising market for cosmetic companies. Various local cosmetic brands that are known to be quite famous are Wardah Cosmetics, Sariayu Martha Tilaar, Pixy, Pond's, and Garnier. These five products often appear in advertising media with attractive designs and suitable for teenagers, and have a price range that is almost equivalent so that it can be compared.

In addition to cosmetics from local companies, there are also cosmetics from overseas companies, such as L'Oreal, Maybelline, Unilever, Etude House, Nature Republic, Shiseido, SK-II, and others. Indonesia is one of the countries that become the largest cosmetics market from abroad. This is due to the huge interest of Indonesian women towards cosmetics.

In this era of information technology that has grown rapidly, marketing and sales of cosmetic brands can be done through offline stores and online stores. Offline store is a store that provides various cosmetic brands, both local and foreign. Consumers can directly come to the store and choose the cosmetic products needed directly. Meanwhile, online store is a store that is provided online on various e-commerce platforms, such as Shopee, Tokopedia, and Blibli. Consumers can choose the cosmetic brand that has been provided by e-commerce according to their individual needs.

In Indonesia, the growth of e-commerce is very rapid, especially in the last 4 years, the increase reached 500 percent, this is also evidenced by google research and e-Conomy SEA 2018 report which shows that Indonesian e-commerce transactions reached US \$ 27 billion or equivalent to Rp 391 trillion. Indonesia is the largest e-commerce market in Southeast Asia. In 2014, Euromonitor noted that sales in Indonesia were greater than Singapore and Thailand, reaching US\$ 1.1 billion.

E-commerce is one of the business sectors that can increase economic supply during the Covid-19 pandemic. This pandemic is actually a major factor in strengthening e-commerce business, both in retail and wholesale, especially for cosmetic products. The amount of public demand for some cosmetic brands makes often cosmetic products sold out or depleted. Pre-order systems are often made to avoid rare products.

Buying a product through an e-commerce platform is certainly very efficient and saves time. This is because, consumers only need to have sufficient and stable internet access, then the desired product will be directly delivered to the house. So, consumers no longer need to bother outside the house. This is certainly also a form of support from social distancing programs held by the government to reduce the spread of Covid-19.

However, in addition to the positives caused by the use of e-commerce in the marketing and sale of cosmetic products, there are concerns related to the impact of the cosmetics marketed. Purchasing cosmetics through e-commerce makes it difficult for consumers to see the ingredients used in such cosmetics. Although, there are several brands of cosmetics that write in full the ingredients they use, but, not all brands do that.

This is what makes consumers become more careful in choosing cosmetic products. In addition, considering that Indonesia is a country with a majority of Islamic population. Thus, halal labels are needed in cosmetic products that are marketed and traded in Indonesia, both through offline stores and e-commerce. This is the importance of halal product guarantee in cosmetic brands. Problems formulation What is the form of guarantee of idolatry against cosmetic products marketed and traded in e-commerce? and What is the form of consumer protection in electronic commerce transactions through e-commerce?

## 2 Research Methods

The research method used is a normative - empirical research method, which is a research method that in this case combines elements of normative law which is then supported by the addition of data or empirical elements. In normative - empirical research methods are also about the implementation of normative law provisions (laws) in action in every particular legal event that occurs in a society.

## 3 Results and Discussion

### 3.1 Halal Product Guarantee on Cosmetic Brands Marketed and Traded in E-Commerce

The term cosmetics, derived from the Greek “cosmeticsē tekhnē”, means “dress and ornate technique”. It consists of the word “kosmētikos”, meaning “skilled in composing or arranging” and the word “cosmos”, meaning “arrangement” and “decoration”.

Cosmetics have been used for centuries. According to a number of sources, the early development of cosmetics can be known since the ancient Egyptians used castor oil as a substitute for balm, or the use of skin creams made from beeswax, olive oil and rose water in Roman times. Then, one of the most famous Traditional Chinese Medicines is tremella fuciformis mushroom, which is used as a beauty product by Japanese and Chinese women. This fungus is believed to increase skin moisture and slow skin aging.

This cosmetic product has been regulated in the Regulation of the Minister of Health of the Republic of Indonesia Number 1175/MENKES/PER/VIII/2010 on Cosmetic Production Permits and Regulation of the Head of BPOM RI Number HK.03.1.23.08.11.07331 of 2011 on Cosmetic Analysis Methods. In addition, cosmetics are also mentioned as one of the categories of goods and/or services in Law No. 33 of 2014 on Halal Product Guarantee.

According to Tranggono (1996), based on its usefulness and function, cosmetics are divided into 2 (two) groups, namely cosmetics as makeup (make-up) is a cosmetic needed to apply or beautify the appearance of the skin and skin care cosmetics or skin care is

cosmetics that take precedence to maintain skin hygiene and health, even sometimes to eliminate abnormalities in the skin.

According to the Regulation of the Minister of Health of the Republic of Indonesia, cosmetic products are divided into thirteen (13) preparations, namely:

- a. Special prepareate for infants, such as baby powder, baby oil, baby perfume, and other baby cosmetic fittings
- b. Special prepareate for bathing, such as bath soaps, shampoos, conditioners, and others
- c. Fragrant prepareate–fragrances, such as perfumes
- d. Prepareate for hair, such as hair spray, hair serum, hair oil, hair mask, and others
- e. Prepareate hair dyes, such as hair paint
- f. Makeup prepareate, such as powder, lipstick, blush, and more
- g. Prepareate to maintain oral hygiene, such as toothpaste
- h. Prepareate skin coloring, such as foundation, concealer, highlighter, and others.
- i. Special nail prepareate, such as nail polish
- j. Skin care prepareate, such as cleansers, moisturizers, skin toners, skin serums, and more
- k. Prepareate for the eyes, such as mascara, eye shadow, eyebrow pencil
- l. Prepareate for shaving, such as shaving pills
- m. Prepareate for protection from Ultra Violet rays, such as sunscreen

According to Tranggono (1996), there are several factors that must be considered to make cosmetics safe, namely:

- a. The purpose of cosmetic use, according to the environmental climate of the wearer, and how the skin type of the wearer.
- b. Selection of raw materials that are of high quality and not harmful to the skin and body.
- c. Selection of dyes and fragrance substances that do not cause a reaction if exposed to sunlight.
- d. Scientific, modern, and hygienic processing methods.
- e. Must be based on a balanced pH (pH-balanced).
- f. Clinical testing of product results before being circulated to the public.
- g. Good packaging selection, which does not damage the product and the wearer's skin.

Various claims are used by cosmetic manufacturers to grab the interest of its users, ranging from natural-based or chemicals that can whiten instantly. However, do not immediately believe in the function of existing materials, because it is not necessarily true. In addition, many cosmetics are on the market without pocketing permission from the Food and Drug Administration (BPOM). However, it is important for consumers to actively look for information on the content of basic cosmetic ingredients in order to choose the right product.

Therefore, in terms of producing and distributing cosmetics, manufacturers must meet the following requirements:

- a. Use materials that meet the standards, quality requirements and other requirements set.
- b. Produced using a good way of making cosmetics.

c. Registered and licensed by the Food and Drug Administration

Keep in mind that cosmetics are not separated from chemicals, but these chemicals are certainly safe to use in certain quantities and limits. Chemicals that can still be used, but must be strictly limited, including mercury, the active ingredients of sunscreen, and hexachlorophen.

Based on the Regulation of the Head of the Food and Drug Supervisory Agency (BPOM) of the Republic of Indonesia Number 18 of 2019 on Technical Requirements of Cosmetic Ingredients, ingredients that can be used as cosmetics but must be limited in levels are as follows:

- a. Coal tar containing benzo[a]pyrene in sunscreen.
- b. Benzalkonium chloride, a maximum of 3% in shampoos and a maximum of 0.1% in other treatment products.
- c. Triclosan, maximum 0.3% in powder, shampoo, soap, facial cleanser, toothpaste, deodorant, blemish concealers, and conditioner.
- d. Triclocarban, maximum 1.5%.
- e. Parabens (propyl, isopropyl, butyl, and isobutyl), a maximum of 0.14%.
- f. DMDM hydantoin, maximum 0.6%.
- g. Bronopol, maximum 0.1%.
- h. Methylisothiazolinone, maximum 0.0015%.
- i. Oxybenzone, maximum 6%.
- j. Zinc 4-hydroxybenzene sulphonate and Zinc phenolsulfonate, a maximum of 6% in lotions and deodorants.
- k. Formaldehyde (formalin), a maximum of 0.1% for oral cleaning products. It is prohibited to be used in cosmetics in the form of sprays. All finished products containing formaldehyde with levels of more than 0.05% should be labeled 'contain formaldehyde'.

These chemicals contained in cosmetics, need to be further tested related to their idolatry. This is because, chemical products fall into the category of goods and/or services that need to be halal certified, in addition to cosmetic products. Because, in essence, the content of a product that needs to be more considered in order to maintain the quality of the product. With regard to this chemical product is regulated in Law No. 33 of 2014 on Halal Product Guarantee.

The term Halal comes from Arabic which means to release, not to be bound or allowed. Etymologically halal means everything that can and can be used because it is free or not bound by the provisions that prohibit it. Whereas in the encyclopaedia of Islamic law is everything that causes a person not to be punished if they use it, or something that can be done according to the Syara'.

Halal products are food products, drugs, cosmetics and other products that do not contain haram elements or content in the manufacturing process. Illegal materials are goods that are prohibited for consumption by Muslims both regarding raw materials, additives, and irradiation whose processing is not in accordance with Islamic shari'ah and provides more madharat than benefits. According to Article 1 number 1 of Law No. 33 of 2014 on Halal Product Guarantee, Products are goods and/or services related to food, beverages, drugs, cosmetics, chemical products, biological products, genetic

engineering products, and use goods used, used, or utilized by the community. Then, in Article 1 number 2, it is stated that Halal Products are Products that have been declared halal in accordance with Islamic sharia.

The products listed in Law No. 33 of 2014 on Halal Product Guarantee must be registered. This includes cosmetic products. Registration of these products can be done online through the LPPOM MUI website. After registration, a halal certificate will be issued. The halal certificate is a guarantee of the page of a product. This is regulated in article 1 number 5 of Law No. 33 of 2014, namely Halal Product Guarantee which is further abbreviated as JPH is legal certainty against the idolatry of a Product as evidenced by Halal Certificate.

In Islam the law regarding the idolatry of something is written in the Qur'an and Hadith, as in the Qur'an surah Al-Baqarah verse 168 is explained: "O man, eat the good lawful again found on the earth, and do not follow the steps of satan, for verily satan is a real enemy to you".

After obtaining a halal certificate, a product will be given a halal label. The existence of halal labels in a product means that the product has been certified halal, the benefits of halal label for consumers, namely consumers get safety and peace of mind in consuming and using the product. In addition, the existence of halal labels also makes consumers get certainty and assurance that the product does not contain anything that is not halal and is also produced in a halal way. Halal label not only provides benefits for Muslim consumers, but also for all consumers because halal not only means the content is halal but also processed in an ethical way, of course healthy and good.

The existence of halal labels also protects entrepreneurs from consumer demands and also protects consumers from doubts in using products. In addition, in terms of sales of halal labels can increase consumer satisfaction with cosmetic products and improve the quality of these products. It also makes consumers not have to worry about buying cosmetic products through online stores from various e-commerce platforms, even without seeing their products directly.

In addition to having halal certificates, cosmetic products circulating in Indonesia, especially those marketed and traded in e-commerce, also need to have a marketing permit from the POM Agency which is a non-ministerial government agency, which is tasked with handling it.

As a form of consumer protection efforts, there are several stages for testing a product by BPOM. Efforts made related to the guarantee of aspects of safety, efficacy or usefulness, and quality of products circulating in the community include:

- a. Supervision, involving various stakeholders, namely the government, local governments, business actors and communities in an integrated and responsible manner.
- b. Good regulatory implementation is supported by adequate resources in quality and quantity, quality management system, access to scientific experts and references, international cooperation, competent, independent, and transparent quality testing laboratories.
- c. Development and refinement of policies regarding products and product production and distribution facilities in accordance with science and technology and international standards.

- d. Construction, supervision and control of imports, exports, production and distribution of products. This effort is a complete unity, conducted through safety assessment, efficacy or benefits, product quality, inspection of production and distribution facilities, sampling and testing, surveillance and testing after marketing, as well as monitoring labels or marking, advertising and promotion.
- e. Consistent enforcement with a high deterrent effect for any violations, including the eradication of counterfeit and illegal products.
- f. Public protection against pollution of pharmaceutical preparations from prohibited ingredients or the use of food additives that are not in accordance with the requirements.

### 3.2 Electronic Trade Transactions

Electronic commerce is a transaction model with characteristics that are different from conventional transaction models, especially with reach that is not only local but also global. The new method is able to generate business directly or often called online. Through these trade transactions, the existing concept of trading can be turned into the concept of telemarketing, which is remote trading using the internet.

In addition, with the concept can be known the quality and quantity of goods and services desired even virtually and without being limited by region. This results in consumer behavior becoming increasingly critical and selective in determining the products to be selected, especially with the convenience provided in electronic trade transactions as well as conventional transactions. This attraction is also what is starting to attract consumers to conduct electronic trade transactions.

Internet technology has a huge influence on the world economy. The Internet is bringing the world economy into a new, more popular chapter with the term digital economy. More and more economic activities are carried out through internet media, such as trade which increasingly relies on e-commerce as a medium of transaction. Based on this description, it can be said that it is very important to bring up protection against electronic transactions so that studies need to be conducted that aim to find out consumer protection in electronic transactions.

The mechanism of electronic transactions is not like conventional buying and selling transactions because each electronic transaction begins with the bidding stage through internet media by the perpetrator. Business, the stage of acceptance by consumers, the stage of agreement between the parties, payment stage through banking services, and ended with the delivery stage products ordered through expedition services. With regard to electronic trade transactions, there are still no rules governing specifics related to the protection of consumers who transact through electronics. In fact, in some studies, Law No. 9 of 1999 on Consumer Protection has not fully protected consumers in electronic transactions. It is certainly a duty for regulators to create rules that protect consumers on electronic transactions legally.

Electronic commerce (e-commerce) determines the agreement between the parties expressed directly using internet media. The parties can agree by selecting the agree button on the internet agreement or directly sending confirmation of their consent by e-mail. Agreements on e-commerce contracts are different from ordinary contracts that are generally approved by the establishment of a joint signature. The agreement in the

e-commerce contract is stated electronically as well. In the interview with Mariam Darus Badruzaman with regard to the agreement Electronic it is said that: "by selecting the agree button or stating Confirmation of the agreement by e-mail has stated agreement" (Jun Cai 2002: 45).

Electronic trade transactions became common among the public, especially when Indonesia began to enter the Industrial Revolution 4.0. This will certainly grow rapidly, after the Industrial Revolution 5.0 or Society 5.0 entered Indonesia. In Society 5.0 it is illustrated that every human activity that humans do is highly dependent on technology.

Technology has become a joint for human life. In business transactions, people have also depended on technology so that it will rarely be found traditional buying and selling transactions. Thus, e-commerce will be a prima donna in business transactions, so the future prospects will be better.

Within the framework of e-commerce there are people who are part of Society 5.0. Policies and regulations in e-commerce will be adapted to the era of Society 5.0 in accordance with the utilization and advancement of technology. In terms of e-commerce business partnerships, in the era of Society 5.0 will be made easier to establish partnership relationships using Internet of Things technology and mixed reality.

## 4 Conclusion

Cosmetics are a necessity for society, especially women. This is because, cosmetics serve as a tool to beautify and take care of themselves. Cosmetics are also included in products that are mandatory to be certified halal according to Law No. 33 of 2014 on Halal Product Guarantee. Halal certificate obtained as proof of halal registration on a cosmetic product becomes a guarantee that the cosmetic product has been certified halal. So, it will cause a sense of security and comfort for consumers who want to buy it. This is also considering the many cosmetic brands circulating among the public, both local and imported. In addition, cosmetic products are more widely marketed through e-commerce platforms, making it difficult for consumers to see directly the desired cosmetic products. With halal certification as a guarantee, then of course this is a form of consumer protection efforts so as not to harm consumers and consumer confidence is maintained.

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