



# Is Indonesia's Self-Declare Halal Certification Model Globally Acceptable?

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## Abstract

As the world's largest Muslim-majority nation with ambitions to become a global halal hub, Indonesia has introduced a self-declared halal certification scheme to expand market access for micro and small enterprises, yet its implementation raises critical legal, institutional, and credibility challenges in aligning domestic innovation with internationally recognized assurance standards. This study employed a normative legal research design, focusing on an in-depth analysis of legal norms, regulatory frameworks, and international instruments governing halal self-declare certification in Indonesia to assess its alignment with international standards and identify regulatory gaps. The findings reveal that Indonesia's self-declare halal certification scheme, while expanding access for Micro and Small Enterprises (MSEs), faces significant credibility gaps due to reliance on non-accredited verifiers, absence of Halal Critical Control Point (HCP) analysis, and lack of post-market surveillance. Product verification remains limited to label assessment, with no mandatory scientific testing, as evidenced by the 2023 Nabidz case. Comparative analysis with Codex Alimentarius, OIC/SMIIC, and leading national systems (JAKIM, MUIS, GSO) shows systemic misalignment in verification, auditing, labeling, and enforcement, hindering international recognition. While supporting domestic economic inclusion, Indonesia's self-declare scheme requires a hybrid governance model integrating risk-sensitive audits, structured post-certification surveillance, and differentiated labeling to enhance regulatory legitimacy, safeguard consumer trust, and strengthen global halal market competitiveness. Future research should examine field verification, MSE export impacts, and blockchain-enabled traceability.

**Keywords:** Halal Certification Governance, Self-Declare Scheme, Regulatory Harmonization

## 1. Introduction

Indonesia, as the country with the largest Muslim population in the world approximately 244.7 million people (86.98% of its total population) holds a strategic position to lead the global halal industry (world population review data, Faizi et al., 2021). This demographic advantage underpins the country's broader ambition to position itself as a global halal hub (Fachrurazi et al., 2023; Hasan, 2021). The enactment of Law No. 33 of 2014 on Halal Product Assurance (UU JPH) mandates halal certification for a wide range of products, aiming not only to enhance the competitiveness of domestic industries in international markets but also to ensure the

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I. S. Fitriunitia et al. (eds.), *Proceedings of the 9th International Conference on Strategic and Global Studies 2025 (ICSGS 2025)*, Atlantis Highlights in Social Sciences, Education and Humanities 43,

[https://doi.org/10.2991/978-94-6463-918-6\\_5](https://doi.org/10.2991/978-94-6463-918-6_5)

protection of Muslim consumers (Yuanitasari et al., 2025). By institutionalizing halal certification, Indonesia seeks to align domestic production standards with global expectations, thereby strengthening its role and credibility in the international halal supply chain.

This concern also serves as a strategic response to globalization challenges brought by the free market systems under ASEAN-AFTA, NAFTA, the European Economic Community, and the World Trade Organization (WTO). Halal standards have long been recognized internationally through the CODEX guidelines, with support from key global organizations such as the WHO, FAO, and WTO. Today, the halal lifestyle has gained global traction, even in countries with a Muslim minority (Septiani & Ridlwan, 2020; Yuanitasari et al., 2025). Reflecting this trend, many multinational companies have integrated halal systems into their operations; for example, Japan Airlines, Singapore Airlines, Qantas, and American Airlines now offer halal meal options for Muslim passengers. Similarly, the demand for halal products has expanded rapidly across diverse regions such as the United States, Australia, Japan, China, India, and several Latin American countries, underscoring the growing global relevance of halal as both a quality standard and a market driver.

In practice, empirical evidence indicates that the conventional certification process presents significant challenges for businesses particularly Micro, Small, and Medium Enterprises (MSMEs) arising from procedural complexity, substantial costs, and limited access to relevant information (Gandhi et al., 2021; Yuanitasari et al., 2025). One of the primary challenges is the limited financial capacity to bear the cost of certification (Septiani & Ridlwan, 2020). Although the government has attempted to address this issue through the Regulation of the Minister of Finance of the Republic of Indonesia Number 57 of 2021, as a follow-up to Act Number 11 of 2020 on Job Creation, financial constraints remain a barrier. Various initiatives, such as subsidies and free halal certification programs provided by ministries and provincial governments, have been implemented to ease this burden. These efforts are part of a memorandum of understanding (MoU) among ten ministries and institutions aimed at accelerating halal certification for SMEs. However, as of mid-2021, many SMEs had not yet registered, partly due to the limited socialization and outreach carried out by bodies such as the Halal Product Assurance Organizing Agency and Halal Inspection Institutions (Yuanitasari et al., 2025).

Another significant obstacle is compliance with the Halal Product Guarantee System (Sistem Jaminan Produk Halal—SJPH), particularly regarding raw materials and traceability. SMEs are required to ensure that all materials used are permissible in Islam and that their halal status can be traced, especially for critical materials whose halal status may be uncertain. The use of non-halal critical materials is strictly

prohibited, and replacing them often poses difficulties for SMEs due to limited availability or higher costs of halal alternatives (Ardiantono et al., 2024).

In addition, traceability requirements present a further challenge. Halal-certified products must originate from approved materials listed in the official halal ingredients list (LPPOM) and be processed in facilities free from impurities. SMEs are expected to maintain detailed records and documentation, such as the origin of raw materials from halal-certified slaughterhouses. Yet, many SMEs lack a systematic documentation process, making it difficult to meet these traceability standards (Cocco et al., 2021; Ringsberg, 2015). These combined factors illustrate that while regulatory frameworks and support programs exist, practical and operational constraints continue to hinder the widespread adoption of halal certification among SMEs in Indonesia (Anggarkasih & Resma, 2022).

The government of Indonesia has also undertaken various efforts to improve the system by introducing the self-declared halal certification scheme, such as through Self-Declare Halal Free Certification program (Wijaya & Priantina, 2024), which enables micro and small enterprises to declare the halal status of their products through simpler procedures and at no cost. While this innovation may theoretically broaden access to certification, in practice, its implementation has instead unveiled a new layer of complex challenges. Research by Hasan & Jailani (2024) highlights that, from a regulatory perspective, the lack of clarity in the division of roles and authorities between the Halal Product Assurance Organizing Agency (BPJPH), the Indonesian Ulema Council (MUI), and Halal Inspection Agencies (LPH/LP3H) constitutes a major obstacle to the smooth implementation of halal certification in Indonesia. The systemic reform mandated by Law No. 33 of 2014 on Halal Product Assurance reassigned part of the authority previously centralized under the MUI to the BPJPH, which now serves as the government body with administrative jurisdiction. Meanwhile, the MUI retains its authority to issue halal fatwas, and LPHs are tasked with conducting audits and technical inspections (Hakim & Pambudi, 2021). However, this institutional transition has not been fully accompanied by the establishment of detailed Standard Operating Procedures (SOPs), resulting in overlapping mandates, divergent regulatory interpretations, and coordination gaps among institutions (Yusof et al., 2020). Consequently, business actors particularly micro, small, and medium enterprises (MSMEs) frequently face uncertainty regarding service procedures and the appropriate point of contact when encountering obstacles, ultimately delaying the certification process and undermining the effectiveness of national halal policy implementation.

In the realm of supervision and accountability, the validity of self-declare halal certificates is often questioned due to weak monitoring systems and limited supervisory resources. Without adequate verification technology and stringent post-certification audit procedures, the risk of certificate misuse increases, thereby undermining public trust. In contrast, Singapore, through the Majlis Ugama Islam Singapura (MUIS),

serves as the sole authority for halal certification and does not implement a self-declare scheme. Similar to Malaysia, where the Jabatan Kemajuan Islam Malaysia (JAKIM) operates a centralized halal certification system, all applications in Singapore must undergo standardized procedures to ensure compliance with rigorous requirements related to ingredients, processes, and sanitation, which are internationally recognized by halal product importers. The concept of self-declaration, widely adopted in Indonesia to facilitate certification for small and medium enterprises (SMEs), takes on different nuances across countries. While the overarching aim is to simplify certification for businesses, implementation and oversight vary significantly depending on national regulations and halal assurance systems. For example, Malaysia mandates comprehensive audits of raw materials, production processes, facilities, and halal management systems without permitting self-declaration, whereas Middle Eastern countries such as the United Arab Emirates and Saudi Arabia focus more on international recognition by accrediting halal certification bodies from exporting countries.

Various halal certification policies in Indonesia still face implementation challenges, revealing a gap between policy design and on-the-ground reality (Darmalaksana, 2023). These obstacles may be influenced by the lack of effective public outreach, the perception that bureaucracy remains complicated, and the low sense of urgency for certification among small business owners (Hennida et al., 2024). As a result, there is an imbalance between ambitious targets—such as making Indonesia the center of halal production by 2024 and the existing regulatory capacity. One policy that has sparked debate is the self-declare scheme, which does not require direct inspection by the Halal Inspection Agency (LPH) and has the potential to undermine the credibility of certification, even overlapping with provisions that affirm the role of the Indonesian Ulema Council (MUI) (Hennida et al., 2024). Conceptually, the self-declare scheme holds a strategic significance that extends beyond merely streamlining the certification process, particularly for Micro and Small Enterprises (MSEs). By offering simplified procedures and cost-effective mechanisms, this policy has the potential to act as a catalyst for growth, facilitating the swift and efficient acquisition of halal certification by MSEs.

However, these benefits will be difficult to realize without consistent oversight and enforcement of standards, as the uncertainty and ambiguity of the self-declare scheme may raise doubts about the credibility of Indonesia's halal certification, both domestically and in international markets. This concern is relevant given the limited research examining how this scheme influences global perceptions of Indonesian halal products. Some parties argue that procedural ease may erode trust in markets with stringent standards, such as the Middle East and the European Union, while others view it as a competitive advantage due to the efficiency and inclusivity it offers.

This uncertainty underscores the importance of research that links domestic policy innovations with the challenges of building trust in the global market. This study seeks to address this question by critically examining the legal challenges inherent in Indonesia's self-declare halal certification scheme, particularly in relation to international assurance standards. It analyzes how the scheme's structural and governance gaps affect global trust, and assesses the implications for Indonesia's competitiveness in international halal markets. The novelty of this research lies in its approach of bridging domestic policy innovation with global expectations and standards through a comparative analysis between Indonesia's certification model and centralized models in other countries. This approach is expected to offer new perspectives on how to align national innovations with international legitimacy while simultaneously strengthening Indonesia's position in the global halal supply chain.

## **2. Literature Review**

### **2.1 Mutual Recognition Theory**

Mutual recognition, a principle entrenched in international trade law and operationalized in WTO agreements, asserts that products lawfully certified in one jurisdiction should be accepted in another if regulatory requirements are substantially equivalent (Pelkmans, 2007; Nordström, 2021). In halal trade, this principle underpins the legal–technical foundation for cross-border certificate acceptance. However, effective recognition presupposes institutional trust and demonstrable technical equivalence (Yakub & Zein, 2022). Indonesia's self-declare halal certification, which relies on unaccredited individuals rather than certified third-party verifiers, exposes structural vulnerabilities in achieving such equivalence. These regulatory gaps including weak post-certification audits, limited monitoring capacity, and insufficient digital verification mechanisms undermine the credibility of self-declared certificates and increase the likelihood of rejection in jurisdictions with stringent audit-based standards. Consequently, while the self-declare scheme promotes domestic accessibility, it simultaneously creates compliance challenges in international markets, highlighting the tension between local regulatory simplification and global acceptance (Sahari et al., 2022).

### **2.2 Global Governance Theory**

Global governance theory explains how transnational norms and regulatory frameworks emerge from interactions among states, intergovernmental bodies, and non-state actors (Rosenau & Czempiel, 1992). In the halal sector, global norm-setting bodies such as Codex Alimentarius, SMIIC, and GSO shape baseline requirements for certification credibility (Azmi et al., 2020). Indonesia's self-declare scheme represents a domestic regulatory innovation, but its global acceptance hinges on alignment with these governance architectures (Jamaluddin et al., 2022). Misalignment risks

marginalization in international halal trade networks, undermining the country's ambition to position itself as a halal export hub (Wekke et al., 2024).

### **2.3 Trust and Legitimacy Theory**

Trust and legitimacy are decisive for regulatory acceptance, especially in halal certification, where compliance signifies both religious adherence and quality assurance (Luhmann, 1979; Suchman, 1995). International recognition depends not merely on legal validity but on perceived procedural integrity, transparency, and institutional credibility (Maghfirotn & Wirdyaningsih, 2022). Indonesia's self-declare model must therefore address fraud prevention, establish audit mechanisms, and embed accountability measures to gain international stakeholder trust (Pratama, 2022).

### **2.4 Indonesia's Halal Certification and the Self-Declare Scheme**

Under Law No. 33/2014 and its implementing regulations (PP 39/2021; PP 42/2024), halal certification is mandatory, administered by BPJPH with fatwa issuance by MUI. Since 2021, a self-declare pathway has enabled MSEs to certify low-risk products without direct field audits, assisted by Halal Product Process Companions (PPPH) (Priantina et al., 2025). While over one million products have been certified through this route, international concerns persist over the absence of accredited third-party audits, limited scientific verification, and weak post-market surveillance (Jamaluddin et al., 2022).

### **2.5 Challenges in Harmonization and Recognition**

The absence of a unified global halal standard impedes automatic cross-border certificate acceptance, making regulatory harmonization a prerequisite for trade facilitation (Azam & Abdullah, 2020). Indonesia's halal laws have been criticized as potential trade barriers under the WTO TBT Agreement due to their mandatory scope and limited global recognition (Johan & Schebesta, 2022). Without broader MRAs and alignment with transnational standards, the self-declare scheme risks exclusion from premium export markets, despite its domestic inclusivity benefits (Sahari et al., 2022).

## **3. Method**

This study employs a normative legal research design to examine the extent to which Indonesia's self-declared halal certification scheme aligns with international assurance standards and to identify its regulatory gaps. The normative approach is suitable as the core issues mutual recognition, regulatory harmonization, and credibility are grounded in legal principles and institutional arrangements rather than empirical behavioral patterns (Hutchinson et al., 1988).

Central to the analysis is a comparative legal method, recognizing that halal certification frameworks differ substantially across jurisdictions. Data are drawn exclusively from secondary legal sources, including Indonesian statutes (Law No.

33/2014 on Halal Product Assurance; Government Regulations No. 39/2021 and No. 42/2024), BPJPH regulations (e.g., Decree No. 57/2017), and relevant Mutual Recognition Agreements (MRAs). Comparative benchmarks incorporate international guidelines such as the Codex Alimentarius, OIC/SMIIC 1:2019, and GCC standards, alongside national frameworks from Malaysia's JAKIM, Singapore's MUIS, and other OIC member states. Supplementary materials peer-reviewed articles, institutional manuals, and expert commentaries are used to enrich interpretation. The comparative benchmarking focuses on key halal-exporting jurisdictions (Malaysia, Singapore, OIC, and GCC), mapping Indonesia's self-declare model against their regulatory features: verification mechanisms, accreditation systems, supply chain traceability, and post-market surveillance.

Data analysis proceeds in three phases: (1) Mapping Indonesia's self-declare legal-institutional framework, including BPJPH's role, PPPH functions, and surveillance procedures; (2) Benchmarking against international standards to identify convergence and divergence in verification, accreditation, enforcement, and labelling; (3) Gap Analysis & Reform Proposals, diagnosing legal barriers to global acceptance and outlining strategic reforms to strengthen credibility and trade viability.

This methodological structure facilitates systematic identification of where Indonesia's self-declaration scheme deviates from internationally recognized assurance systems and how such misalignments could affect market trust. By integrating doctrinal legal interpretation with structured comparative benchmarking, the approach ensures both normative depth and policy relevance key qualities for assessing the global readiness of national halal certification reforms.

**Table 1.**

International Halal Certification Standards Used for Comparative Benchmarking

Country/Region	Halal Authority / Standard	Key Regulatory Features
Malaysia	Department of Islamic Development Malaysia (JAKIM)	Mandatory certification; globally recognized; emphasizes slaughter procedures, traceability, and hygiene protocols.
Singapore	Islamic Religious Council of Singapore (MUIS)	Voluntary certification system; operates under the HalMQ quality framework with strong audit controls.
OIC Member States	Standards and Metrology Institute for Islamic Countries (OIC/SMIIC)	Promotes harmonization across OIC countries; includes standards on terminology, conformity, and surveillance.
GCC Countries	Gulf Standardization Organization (GSO 2055, GSO 993)	Regionally enforced standards; strict requirements on supply chain verification and accredited certification bodies.

*Sources: Data Constructed by Author (2025)*

By systematically mapping Indonesia’s legal and institutional framework against internationally recognized halal assurance systems, this study identifies key regulatory gaps and convergence points. Placing the analysis in a comparative legal context enables a critical assessment of how the self-declaration scheme aligns or fails to align with global expectations for verification, accreditation, transparency, consumer protection standards, and cross-border credibility. Table 2 presents a consolidated overview of the scope, objectives, and focal dimensions of each analytical phase, demonstrating how legal interpretation, comparative benchmarking, and policy evaluation were applied sequentially to produce evidence-based findings and targeted reform recommendations.

**Table 2.**  
Data Analysis Phases in the Study of Indonesia’s Self-Declare Halal Certification

<b>Phase</b>	<b>Focus Area</b>	<b>Objectives and Key Activities</b>	<b>Outcomes</b>
Phase 1 Mapping the Indonesian Self-Declare Scheme	Legal and institutional framework	<ul style="list-style-type: none"> <li>– Interpret BJIHP regulations on self-declare</li> <li>– Analyze the role and legal status of PPPH</li> <li>– Examine internal compliance and post-market surveillance requirements</li> </ul>	Identified structural features, regulatory gaps, and enforcement limitations within the Indonesian halal framework
Phase 2 Comparative Benchmarking	International compatibility	<ul style="list-style-type: none"> <li>– Benchmark Indonesia’s self-declare model against Codex, OIC/SMIIC, JAKIM, MUIS, and GCC standards</li> <li>– Construct a normative compatibility matrix across key dimensions: verification, accreditation, enforcement, labelling</li> </ul>	Mapped regulatory misalignments and alignment points with global halal certification practices
Phase 3 Gap Identification and Strategic Recommendations	Reform direction and global alignment	<ul style="list-style-type: none"> <li>– Diagnose legal and procedural barriers to international recognition</li> <li>– Propose policy reforms to enhance credibility and trade acceptance</li> <li>– Outline strategic actions to strengthen Indonesia’s position in the halal ecosystem</li> </ul>	Generated policy and legal reform proposals to improve global viability of Indonesia’s self-declare scheme

*Sources: Data Constructed by Author (2025)*

The normative legal approach is justified by the nature of the research questions, which concern regulatory adequacy, legal coherence, and institutional compliance with evolving international halal norms. The comparative legal method is increasingly recognized as a rigorous tool in halal certification research (Permadi, 2022), as it enables a critical assessment of the legal export-readiness of Indonesia’s domestic innovation and the potential regulatory reforms needed for international recognition.

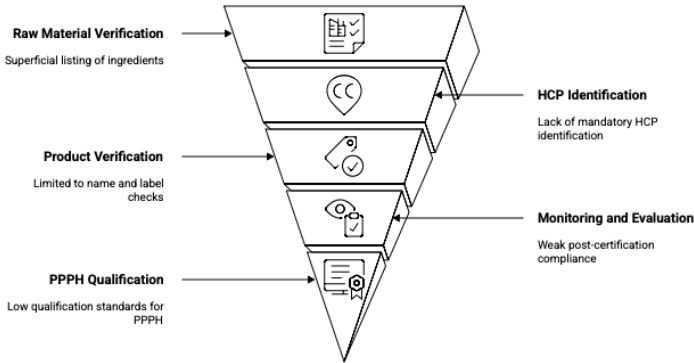
## 4. Result

The analysis of Indonesia's self-declare halal certification framework reveals a regulatory model that promotes inclusivity for Micro and Small Enterprises (MSEs) but contains structural deficiencies that undermine both credibility and international market acceptance (Arifin et al., 2020; Fathoni et al., 2025; Wahyudi et al., 2020). Verification under this scheme is delegated to Halal Product Process Companions (PPPH), who are neither accredited by the National Accreditation Committee nor subject to standardized training or competency testing (Hulwati et al., 2025). With only a senior high school diploma required (Ministry of Religious Affairs Regulation No. 20/2021), PPPHs primarily perform administrative functions often completing documentation on behalf of MSEs thereby conflating the roles of facilitator and verifier.

Weak institutional oversight compounds the structural deficiencies of Indonesia's self-declared halal certification scheme, reflecting significant divergence from internationally recognized governance standards. The statutory mandates of the Halal Product Assurance Organizing Agency and Halal Product Process Companions (PPPH) lack the operational and accreditation safeguards embedded in leading halal-exporting jurisdictions (Rofi'ah et al., 2024). Under current regulations, PPPHs are not required to obtain National Accreditation Committee (KAN) certification and may qualify with only a senior high school diploma, creating a pronounced capacity gap in technical and audit expertise.

The minimal qualification framework stands in sharp contrast to the rigorous professional certification, continuous competency training, and independent accreditation mandated for halal auditors in Malaysia, Singapore, and Gulf Cooperation Council (GCC) member states (OIC/SMIIC, 2019; MUIS, 2020). Halal Product Assurance Organizing Body supervisory role is similarly constrained, functioning primarily as an administrative registrar without statutory authority to conduct systematic in-person inspections or unannounced compliance audits prior to certification. Consequently, high-risk stages of production—particularly ingredient sourcing, intermediate processing, and cross-contamination control—remain insufficiently monitored. Such governance weaknesses not only elevate the probability of undetected non-compliance but also undermine Indonesia's capacity to demonstrate equivalence in international halal trade, thereby constraining export opportunities and eroding market confidence.

A comparative review against Codex Alimentarius, OIC/SMIIC, and leading national authorities (JAKIM–Malaysia, MUIS–Singapore, GSO–Gulf States) indicates that Indonesia's self-declare halal certification framework diverges sharply from global best practices (Man & Pauzi, 2017). Collectively, these deficiencies illustrate a systemic misalignment between Indonesia's administrative model and global halal assurance norms, as summarized in Figure 1, "Syntax of Self-Declare Scheme Gaps.



**Figure 1.** Syntax of Self Declare Gaps  
*Sources: Data Constructed by Author (2025)*

In practice, the implementation of the self-declare halal certification scheme demonstrates a tension between accessibility and credibility. While its low-cost and simplified procedures have undeniably increased participation from Micro and Small Enterprises (MSEs) (Wahyudi et al., 2020), these benefits come at the expense of assurance mechanisms that are critical for maintaining consumer trust, particularly in export-oriented markets (Murdoko & Septyastuti, 2022). Internationally recognized halal certification bodies, such as those in Malaysia, Brunei, and the Gulf Cooperation Council (GCC) states, require independent audits conducted by accredited institutions, coupled with post-certification monitoring to ensure ongoing compliance (Ab Talib, Abdul Hamid, et al., 2016; Aziz & Vui, 2012). By contrast, Indonesia's reliance on Halal Product Process Companions (PPPH) with minimal formal qualifications and without accreditation from the National Accreditation Committee (KAN) raises significant concerns about the robustness of verification (Arifin et al., 2020). This gap is further exacerbated by the absence of mandatory laboratory testing for high-risk products, leaving certification largely dependent on documentary compliance rather than empirical validation (Rahman et al., 2020).

Furthermore, the lack of transparent and standardized labeling procedures undermines the scheme's capacity to communicate trust signals to both domestic and international consumers. In many cases, halal labels under the self-declare pathway are visually indistinguishable from those obtained through full verification processes, making it difficult for stakeholders to differentiate between varying levels of assurance (Fathoni et al., 2025). This situation not only exposes the market to potential misuse of the halal logo but also risks reputational damage to Indonesia's broader halal industry, especially in jurisdictions where halal integrity is tightly regulated (Aziz & Chok, 2013; Mekarsari, 2025).

From a policy perspective, these shortcomings suggest the need for a more balanced approach that preserves the accessibility of the self-declare mechanism while integrating stronger safeguards. Potential strategies include adopting a tiered certification system, where self-declare certificates are clearly labeled as such, and gradually introducing competency-based training and accreditation requirements for PPPH (Wahyudi et al., 2020). Leveraging digital verification tools, such as blockchain-enabled traceability systems, could also enhance transparency and facilitate real-time monitoring (Zailani et al., 2015).

These proposed reforms gain further relevance when viewed alongside established international frameworks. To contextualize Indonesia’s self-declare model within broader halal governance practices, Table 3 presents a comparative assessment of certification dimensions across key global standards, including the Codex Alimentarius, OIC/SMIIC, JAKIM (Malaysia), MUIS (Singapore), and GSO (GCC).

Table 3.  
Comparative Assessment of Halal Certification Systems

Dimension	Verification	Audit Mechanism	Labelling	Post-Market Surveillance
Indonesia (Self-Declare)	Admin-based via PPPH; no third-party audit; lacks HCP and flowchart requirements	No LPH audit; PPPH role overlaps assistance and validation	No differentiation between self-declare and full-audit certificates	Weak; no systematic national program; limited coordination with local authorities
Codex Alimentarius	Flexible; country-led verification encouraged	No audit mandate; relies on national discretion	Voluntary labelling; no enforcement	Not required under Codex
OIC/SMIIC	Requires full supply chain conformity; includes slaughter and material traceability	Certification bodies follow OIC/SMIIC 2:2019 and 3:2019; strict conformity evaluation	Labelling must conform with halal classification and traceability protocols	Mandatory surveillance and monitoring; integrated with Halal Quality System (OIC/SMIIC18:2021)
JAKIM (Malaysia)	Requires HCP identification, flowchart validation, and internal Halal Committee (IHC)	JAKIM or MAIN conducts physical audits after IHC processes; references HACCP, GMP	Label permitted only post-certification; governed by Trade Descriptions Order 2011	Periodic reassessment and market checks; IHC must maintain compliance records
MUIS (Singapore)	Mandatory Muslim supervisors; physical site inspections; ingredient segregation	Periodic audits; evaluation of personnel, cleanliness, documentation, and material use	Distinct MUIS logo required; strict rules on use and display	Surprise inspections; power to revoke without legal appeal (AMLA, Art. 88A)

GSO (GCC)	Mandatory compliance with GSO 2055-1 and traceability standards; full verification	Accredited certification bodies required under GSO 2055-2; includes periodic audits and enforcement	Specific halal logos based on standard; improper use penalized under trade and consumer protection laws	Strong enforcement framework; GSO 2469 regulates logistics and retail surveillance
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*Sources: Data Constructed by Author (2025)*

Table 3 illustrates a structured normative comparison of key halal certification frameworks, drawing attention to the multi-dimensional gaps between Indonesia’s self-declare model and its global counterparts. Across all four core regulatory dimensions of verification, audit mechanism, labeling, and post-market surveillance Indonesia exhibits systemic vulnerabilities that fundamentally hinder international recognition.

In terms of verification, Indonesia’s reliance on PPPHs who are neither technically accredited nor independently appointed undermines the principle of third-party assurance. This stands in contrast to the practices in Malaysia, Singapore, and GCC countries, where verification is carried out by qualified religious or technical personnel, often under strict traceability protocols. The absence of mandatory Halal Critical Control Point (HCP) analysis in the Indonesian system represents a significant divergence from both JAKIM’s HACCP-based audits and OIC/SMIIC’s full supply chain conformity model, which prioritize risk mapping and material integrity.

The audit mechanisms further reflect these discrepancies. While Indonesia exempts self-declared products from LPH audits altogether, countries like Malaysia and Singapore institutionalize periodic or ad hoc inspections as part of an ongoing compliance framework. Certification in the OIC and GCC regions is predicated on strict conformity evaluation, as codified in OIC/SMIIC 2:2019, 3:2019, and GSO 2055-2, all of which require on-site verification and continual procedural validation. The PPPH’s dual role as both guide and verifier in the Indonesian model raises concerns of role conflict, undermining the integrity of certification outcomes.

Taken together, the findings from Table 3. confirm that Indonesia’s self-declare model is structurally misaligned with globally accepted halal certification practices. These divergences are not merely technical or procedural, they reflect a broader governance gap in regulatory design, institutional accountability, and assurance transparency. As a result, Indonesia’s halal certificates, particularly those issued through the self-declare mechanism, face significant hurdles in gaining recognition in international markets where independent verification, audit traceability, and structured enforcement are deemed essential.

The magnitude of these discrepancies calls for substantive regulatory reform, not only to bridge the credibility gap but also to realign the Indonesian halal assurance

system with international norms. In the context of an increasingly competitive global halal market, projected to exceed USD 5.9 trillion by 2033, Indonesia's strategic positioning as a halal hub depends on its ability to harmonize inclusive domestic innovation with global expectations for rigor and reliability. The next section outlines a set of policy recommendations designed to operationalize this reconciliation through a hybrid governance model that balances administrative accessibility with normative credibility.

## **5. Discussion**

### **5.1 Bridging Regulatory Inclusivity and International Credibility in Halal Certification**

This study advances the theoretical understanding of halal certification governance by interrogating the regulatory tension between inclusivity and credibility. Previous scholarship has largely examined either the evolution of domestic halal regulatory regimes (Ab Talib, Md. Sawari, et al., 2016) or the harmonization of international halal standards (Azam & Abdullah, 2020), yet limited attention has been paid to how endogenous legal innovations, such as Indonesia's self-declare scheme, interact with global expectations for assurance, traceability, and cross-border recognition. Introduced under Law No. 33/2014 and expanded by the Job Creation Law (Law No. 11/2020), the self-declare model was designed to democratize access for micro and small enterprises (MSEs) by reducing compliance burdens and bypassing complex third-party audits (Fachrudin et al., 2023). While this aligns with adaptive regulatory governance emphasizing legal accessibility and socioeconomic empowerment (Sup, 2023), regulatory inclusivity of this nature risks eroding institutional credibility when measured against international frameworks that prioritize independent audits, rigorous technical verification, and systematic post-market surveillance (Yakub & Zein, 2022). Consequently, the credibility gap has profound implications for cross-border trade, especially in markets where stringent conformity assessment is required (Johan & Schebesta, 2022).

A comparative review with Malaysia's JAKIM, Singapore's MUIS, OIC/SMIIC standards, and GCC protocols underscores the importance of third-party validation in sustaining global trust. Malaysia's centralized system integrates rigorous accreditation protocols and qualified personnel, ensuring consistent halal assurance across domestic and export markets (Sahari et al., 2022). In contrast, Indonesia's decentralized, semi-voluntary structure particularly via self-declaration exhibits fragmented oversight and lacks structural coherence, limiting seamless international recognition (Fattah et al., 2025). Oversight gaps, coupled with instances of data falsification and lax verification, have eroded consumer trust, as exemplified by incidents of alleged pork contamination in certified products. Some consumers even perceive the Indonesian Food and Drug Authority (BPOM) as more reliable than halal certification itself (Yakub & Zein, 2022). The absence of clear visual differentiation between self-declared and fully audited

products generates information asymmetry, reducing the perceived quality of all halal products and weakening the credibility of the domestic halal ecosystem.

Internationally, Indonesia's deviations in audit mechanisms, technical requirements, and continuous surveillance pose barriers for global market access. Exporting MSMEs frequently incur additional costs for re-certification, while the domestic emphasis on market capture risks limiting integration into the global halal economy, where mutual recognition and harmonized standards are essential. Operationally, even simplified self-declare pathways impose procedural burdens and inconsistent audits on MSMEs, fostering a "race to the bottom" that may compromise product quality, consumer safety, and the integrity of the halal brand (Luhmann, 1979; Suchman, 1995; Pratama, 2022). Collectively, these challenges highlight the urgent need for regulatory reform, strengthened surveillance, and international alignment to enhance domestic confidence and global acceptance of Indonesian halal products.

Addressing these challenges requires a multi-faceted recalibration of the self-declare framework. Strengthening the verification process is pivotal, particularly by enhancing the technical rigor and institutional independence of Halal Product Process Assistants (PPPHs). PPPHs have been central to operationalizing self-declaration, yet inconsistent training and the absence of standardized technical protocols undermine reliability (Maghfirotun & Wirnyaningsih, 2022; Sup, 2023). Embedding principles of accredited third-party audits into the PPPH framework would improve uniformity and align Indonesia's approach with international assurance norms (Yakub & Zein, 2022; Sahari et al., 2022).

Equally critical is establishing a proactive, coordinated, and risk-based post-market surveillance system. Current arrangements are fragmented, with limited coordination between BPJPH, BPOM, local governments, and consumer protection bodies, weakening non-compliance detection and undermining consumer trust in both domestic and export markets (Dhodapkar, et al., 2022). Mandatory periodic audits, unannounced inspections, and random sampling, complemented by strengthened internal audit mechanisms, would reinforce compliance and safeguard Indonesia's halal reputation internationally.

Transparency in labeling is another cornerstone of credibility. Introducing distinctive visual or textual indicators to differentiate self-declared from fully audited products would reduce ambiguity, empower consumers, and enable foreign regulators to accurately assess assurance levels (Johan & Schebesta, 2022). The integration of advanced traceability systems, such as Blockchain and IoT, could further enhance end-to-end supply chain integrity, reduce human error and data falsification, and rebuild trust without compromising the inclusivity of the self-declare model. Standardized interoperability across supply chain stages is essential to ensure seamless verification and global acceptability.

To reconcile inclusivity with global credibility, Indonesia must institutionalize third-party audits for all certification pathways, standardize technical protocols for

PPPHs, mandate HACCP, GMP, and GHP adherence, and implement comprehensive laboratory testing for critical parameters. Risk-based, coordinated post-market surveillance should be introduced alongside distinct labeling and interoperable traceability systems to empower consumers and regulators alike. Active engagement in multilateral standard-setting platforms (OIC, Codex Alimentarius, SMIIC) and expanded Mutual Recognition Arrangements with ASEAN and GCC partners are critical to reducing trade barriers and aligning domestic standards with international norms (Nisa, 2023; Sariyah, 2023). Capacity-building for MSMEs is essential to enhance regulatory literacy, procedural compliance, and gradual alignment with prevailing international benchmarks.

In conclusion, Indonesia's self-declare scheme represents a progressive step toward regulatory inclusivity, yet without complementary mechanisms to ensure technical rigor, audit integrity, and traceability, the framework risks undermining both domestic trust and international recognition. By embedding robust verification protocols, enhancing post-market surveillance, standardizing labeling and traceability, and actively participating in global halal governance, Indonesia can achieve a strategic balance between inclusivity and credibility. Such reforms would not only strengthen domestic consumer confidence but also position Indonesia as a proactive architect of global halal standards, facilitating sustainable growth and integration into the international halal economy.

## 6. Conclusion

Indonesia's self-declared halal certification scheme is a regulatory innovation designed to broaden halal market access for Micro and Small Enterprises (MSEs). While aligned with national development objectives, its current legal-institutional design diverges from the rigor and traceability standards embedded in leading international frameworks. Core weaknesses include reliance on non-accredited Halal Product Process Companions (PPPH), absence of Halal Critical Control Point (HCP) analysis, limited supply chain traceability, nominal product verification, weak post-market surveillance, and non-differentiated labelling. Collectively, these factors undermine institutional credibility, consumer trust, and cross-border recognition, as evidenced by the 2023 Nabidz case involving a fermented beverage with measurable alcohol content.

Comparative assessment with Malaysia's JAKIM, Singapore's MUIS, and OIC/SMIIC and GCC standards reveals a substantial regulatory gap, particularly in independent audits, risk-based controls, and enforcement. By mapping PPPH's role against SMIIC's traceability principles, this study advances halal governance scholarship and pinpoints structural misalignments limiting Indonesia's global market competitiveness.

Findings indicate the need for a hybrid governance model that preserves inclusivity while integrating internationally recognized assurance mechanisms. Recommended measures include risk-sensitive audit protocols, institutionalized post-certification monitoring, and differentiated halal labels to signal assurance levels. These reforms are essential for safeguarding consumer trust, enhancing regulatory legitimacy, and positioning Indonesia within the global halal value chain.

This research is limited by its reliance on doctrinal legal analysis and secondary literature, which may exclude recent or unpublished developments. Future studies should incorporate field-based verification audits, assess the economic impacts of restricted international recognition on MSE exports, and examine self-declared halal products in trade disputes. Research on consumer perceptions and blockchain-enabled traceability could further align domestic innovation with global credibility requirements.

### **Acknowledgement**

This paper was presented at The 9th International Conference on Strategic and Global Studies 2025, organized by Universitas Indonesia.

### **Author Contributions**

Putri Adiastruti Cahyaningrum, Nur Fatwa, and Thobib Al Ashhar collectively contributed to all stages of this research. Putri Adiastruti Cahyaningrum led the conceptualization of the study, formulated the research ideas, and oversaw literature management. Nur Fatwa managed data collection, data organization, and initial data analysis. Thobib Al Ashhar contributed to advanced data analysis, interpretation of findings, and verification of results. All authors participated in drafting, editing, and revising the manuscript, ensuring coherence and scientific rigor. Additionally, the authors collaboratively managed research funding, coordinated communication among stakeholders, and finalized the writing process for submission.

### **Funding**

This research did not receive any specific grant from funding agencies in the public, commercial, or not-for-profit sectors.

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