

Legal Certainty within Indonesia's Halal Industry Regulatory Framework

Asep Suraya Maulana¹, Ahmad Anas², Muh Izza³

^{1,3} Universitas Islam Negeri K.H. Abdurrahman Wahid Pekalongan, Indonesia

² Universitas Islam Negeri Walisongo, Indonesia

Corresponding Author:

Asep Suraya Maulana

Department of Sharia, Faculty of Sharia, Universitas Islam Negeri K.H. Abdurrahman Wahid Pekalongan.

Jl. Pahlawan Km.5 Rowolaku Kajen Kab. Pekalongan, Jawa Tengah, 51161, Indonesia.

Email: asep.suraya.maulana@uingusdur.ac.id

Article Info

Received: 11-12-2025

Revised: 16-01-2026

Accepted: 23-01-2026

Online Version: 01-03-2026

Abstract

This research examines the manifestation of legal certainty within Indonesia's current halal industry regulatory framework, specifically focusing on the legal challenges arising from the transition from a voluntary, community-led initiative to a mandatory state-regulated regime. The researcher employed a qualitative normative legal methodology using a library research approach, applying statutory and conceptual analysis to evaluate primary legal materials and secondary data through the lens of legal certainty theory. The results indicate that while the state has established a robust normative foundation and a "hybrid legality" model, a "certainty deficit" remains due to regulatory inflation, administrative complexity for small enterprises, and the lack of specialized legal mechanisms for resolving halal disputes. These findings highlight the urgent need for regulatory simplification and the establishment of a specialized "Halal Liability Framework" to foster global competitiveness and ensure effective consumer protection through transparent digital governance. This research offers a unique critical analysis of Indonesia's post-Omnibus Law halal ecosystem, bridging the gap between theoretical administrative law and the practical theological exigencies of the global market.

Keywords: Legal Certainty, Halal Industry, BPJPH, Regulatory Framework, Indonesia.



© 2026 by the author(s)

This article is an open-access article distributed under the terms and conditions of the Creative Commons Attribution-ShareAlike 4.0 International. (CC BY SA) license (<https://creativecommons.org/licenses/by-sa/4.0/>).

Journal Homepage: <https://e-journal.uingusdur.ac.id>

How to cite: Suraya Maulana, A. (2026). Legal Certainty within Indonesia's Halal Industry Regulatory Framework. *Jurnal Halal Center*, 1(1), 1-14. <https://doi.org/10.28918/jhc.v1i1.14188>

Published by: Halal Center of Universitas Islam Negeri K.H. Abdurrahman Wahid Pekalongan

INTRODUCTION

The global economic landscape has witnessed a profound transformation over the last decade, characterized by the meteoric rise of the halal industry as a formidable pillar of

international trade. Once perceived strictly as a matter of religious observance for Muslim consumers, the concept of “halal” has evolved into a sophisticated global benchmark for quality, safety, and ethical consumption. Within this expanding paradigm, Indonesia, as the nation with the world’s largest Muslim population, occupies a strategic and pivotal position. The Indonesian government has recognized that the halal industry is not merely a domestic sociocultural necessity but a critical engine for national economic growth and a key component of its competitive advantage in the global market (Sadali et al., 2024). However, the transition of halal certification from a voluntary, community-led initiative to a mandatory state-regulated regime has birthed a complex set of legal challenges. This research centers on the concept of legal certainty (*rechtszekerheid*), which serves as the bedrock of any functioning rule of law (*Rechtstaat*), and examines how this principle is manifested—or perhaps compromised—within the current regulatory framework governing Indonesia’s halal industry (Ghozani et al., 2024).

The importance of this topic cannot be overstated, as legal certainty provides the predictability and stability required for both domestic and international actors to operate with confidence. In the context of the halal industry, legal certainty ensures that producers understand their obligations, consumers are guaranteed the integrity of the products they purchase, and investors are shielded from arbitrary changes in policy. The Indonesian government’s ambitious goal to become the global center of the halal industry by 2024 necessitates a regulatory environment that is transparent, consistent, and enforceable. This research contributes significantly to the existing body of knowledge by bridging the gap between theoretical legal principles and the practical exigencies of the halal market. While previous scholarship has often focused on the theological aspects of halal or the administrative procedures of certification, this research offers a critical legal analysis of the structural synchronization between various laws, particularly Law No. 33 of 2014 concerning Halal Product Assurance and its subsequent amendments under the Law on Job Creation (Omnibus Law) (Effendi et al., 2024).

The scope of this research encompasses the normative evolution of halal regulations in Indonesia, the institutional dynamics between the Halal Product Assurance Organizing Agency (BPJPH) and the Indonesian Ulema Council (MUI), and the impact of these regulations on small and medium enterprises (SMEs). To establish the necessary context, one must reflect on the historical shift in Indonesia’s halal governance. For decades, halal certification was a voluntary process managed by the LPPOM-MUI, a non-governmental entity. The enactment of Law No. 33 of 2014 fundamentally altered this landscape by declaring that all products entering, circulating, and being traded in Indonesia must be halal-certified, unless otherwise specified. This “mandatory regime” represents a massive undertaking of state intervention. By summarizing the current understanding of the topic, it becomes evident that while the intent of the law is to provide consumer protection and legal clarity, the implementation phase has been marred by bureaucratic complexity and interpretive ambiguity (Adinugraha et al., 2021).

The central research problem this research addresses is the apparent disconnect between legislative intent to provide legal certainty and the practical realities of regulatory overlap and administrative bottlenecks. Despite high-level legislation, many stakeholders continue to grapple with inconsistent interpretations of halal standards, fluctuating certification costs, and a lack of clarity about the division of authority between state agencies and religious institutions. This research is guided by a set of critical questions: To what extent does the current Indonesian legal framework provide a clean, stable, and predictable environment for the halal industry? How has the integration of halal regulations into the Job Creation Law affected the principle of legal certainty for business actors? And finally, what institutional reforms are necessary to harmonize the roles of the BPJPH, LPH, and MUI to ensure a seamless certification process? The underlying hypothesis of this work suggests that the current regulatory structure, while robust on paper, suffers from a “certainty deficit” due to incomplete synchronization between sectoral regulations and the lack of a unified digital infrastructure, which in turn hampers the industry’s global competitiveness (Adinugraha, Rahmawati, & Andrian, 2025).

To examine this research problem, this research employs a normative legal research methodology, utilizing a statutory approach and a conceptual approach. The researcher analyzes primary legal materials, including the 1945 Constitution, Law No. 33 of 2014, and Government Regulation No. 39 of 2021, alongside secondary sources such as judicial precedents, legal journals, and official reports from the Ministry of Religious Affairs. By applying the theory of legal certainty articulated by scholars like Jan M. Otto and Gustav Radbruch, this research evaluates the Indonesian halal regulation through the lenses of clarity, consistency, and applicability. The methodology also incorporates a brief comparative perspective, examining how other Muslim-majority nations, such as Malaysia, have integrated religious standards into state law with greater institutional cohesion. This multi-faceted approach allows for a deep dive into the “law in books” versus the “law in action,” identifying the specific junctions where legal ambiguity arises (Adinugraha, Shulthoni, & Syakirunni’am, 2025).

The potential outcomes of this research are twofold, offering both theoretical and practical insights. Academically, this research clarifies the application of the rule-of-law principle at the unique intersection of religious mandates and state administrative law in Indonesia. It reveals how the state navigates the challenge of codifying religious norms into enforceable legal standards without infringing upon the theological authority of religious bodies. In practice, the study provides policymakers with a roadmap to refine the Halal Product Assurance (JPH) system. By identifying the specific regulatory gaps that cause uncertainty, this research highlights the necessity for a more integrated “one-gate” system that reduces the time and cost of certification. Furthermore, it reveals the critical need for a more inclusive legal approach toward SMEs, ensuring that the mandatory halal requirement does not become an insurmountable barrier to market entry but rather a catalyst for business formalization and growth (Kurniawan et al., 2025).

This research is organized into several subsequent sections designed to build a logical and persuasive argument. Following this introduction, the second section provides a comprehensive historical and normative review of the Indonesian halal regulatory landscape, tracing the transition from voluntary to mandatory certification. The third section delves into the analytical core of the research, evaluating the impact of the Omnibus Law on the halal ecosystem and assessing the degree of legal certainty provided by the current institutional arrangement. This section specifically scrutinizes the collaborative yet often strained relationship between the BPJPH as the regulator and the MUI as the authority on fatwa. The fourth section addresses the socio-legal challenges faced by industry stakeholders, particularly focusing on the “certainty of cost” and “certainty of time”, which are frequently cited as the primary concerns for business actors (Adinugraha, Shulthoni, & Al-kasyaf, 2025). The final sections of the research offer a synthesis of the findings, leading to a conclusion that reiterates the research’s significance and proposes specific legislative recommendations for the future (Fitriyansyah & Adinugraha, 2025).

The pursuit of legal certainty in Indonesia’s halal industry is not merely a legalistic exercise but a vital prerequisite for the nation’s economic sovereignty and its standing in the international community. As the global halal market continues to expand, the clarity of Indonesia’s regulatory framework will determine whether the country remains a massive consumer base or emerges as a leading global producer (Ghozani et al., 2025). By addressing the inherent contradictions within the current legal system and advocating for a more synchronized, transparent, and digitally-integrated governance model, this research seeks to provide the intellectual and practical foundations necessary for a truly certain and prosperous halal industry in Indonesia. Through this rigorous investigation, the researcher aims to demonstrate that, while the path toward perfect legal certainty is fraught with institutional and political challenges, refining the Indonesian halal regulatory framework is an essential step toward fulfilling the broader mandates of the rule of law and national welfare.

RESEARCH METHOD

This research employed a qualitative, normative legal methodology, using a comprehensive library research approach, to examine Indonesia's halal industry regulatory framework. The researcher adopted this specific design to analyze the consistency and clarity of legal norms within the national legal system. The investigation utilized a statutory approach to scrutinize the hierarchy of legislation and a conceptual approach to define the parameters of legal certainty.

Primary legal materials consisted of foundational documents, including the 1945 Constitution, Law Number 33 of 2014, Law Number 6 of 2023 concerning Job Creation, and Government Regulation Number 39 of 2021. To supplement these, the researcher gathered secondary data from reputable academic journals, judicial precedents, and official reports issued by the Ministry of Religious Affairs.

The data collection process involved a rigorous selection of literature focusing on the transition from voluntary to mandatory certification and institutional repositioning. After identifying and selecting relevant materials, the researcher analyzed the information using a qualitative descriptive approach.

The analysis utilized the legal certainty theories of Jan M. Otto and Gustav Radbruch as the primary analytical tools to evaluate the clarity, consistency, and applicability of the current regulations. This systematic procedure allowed the researcher to interpret the findings and identify the specific junctions where legal ambiguity arose between legislative intent and practical implementation. The entire analytical process focused on uncovering the structural synchronization of the halal ecosystem to provide a definitive answer to the research problem regarding the certainty deficit in the national regulatory framework.

RESULTS AND DISCUSSION

Legal Construction of Halal Industry Regulations within the National Legal System

The fundamental paradigm shift in Indonesia's legal approach to halal certification, from a community-based, voluntary system to a state-enforced, mandatory regime. For over two decades, halal certification served as a form of "religious labelling," administered primarily by the Indonesian Ulema Council (MUI) through a non-governmental, voluntary mechanism. The enactment of Law No. 33 of 2014 concerning Halal Product Assurance (UU JPH) fundamentally altered this legal landscape by asserting state authority over the halal certification process. This research finds that Article 4 of UU JPH serves as the legal cornerstone for this transformation, explicitly stating that all products entering, circulating, or being traded within Indonesia's territory must be halal-certified. This provision represents a significant exercise of state interventionism, transitioning halal from a matter of individual religious preference to a matter of public administrative law (Zulfa et al., 2023).

This mandatory requirement is not merely a change in nomenclature but a total reconstruction of the legal relationship between the state, the producer, and the consumer. Under the voluntary regime, the absence of a halal label did not carry legal consequences; however, under the current mandatory framework, the failure to obtain a halal certificate constitutes a violation of administrative law. This shift aims to provide a higher degree of consumer protection as mandated by Article 29 of the 1945 Constitution, which guarantees the right of every citizen to worship according to their religion. In the context of the halal industry, the state interprets this constitutional right as an obligation to ensure that the food, drugs, and cosmetic products consumed by its majority-Muslim population meet religious standards (Surur et al., 2024). Therefore, the law's mandatory nature serves as a legal instrument to manifest the state's protective role, providing a formal guarantee previously left to market actors' discretion.

The discussion of these findings reveals that while the mandatory shift enhances consumer protection, it simultaneously creates a significant regulatory burden for business actors. The transition signifies a move toward "legal formalization" where the state centralizes the

certification process through the Halal Product Assurance Organizing Agency (BPJPH). This research observes that this centralization aims to eliminate the fragmentation of halal standards that often occurred during the voluntary era. However, the significance of this finding lies in the inherent tension between the state's administrative capacity and the sheer volume of products requiring certification. The discussion emphasizes that the mandatory regime requires a robust infrastructure of Halal Examination Agencies (LPH) and halal auditors to prevent the law from becoming a “dead letter.” By making certification compulsory, the state has effectively tied the legality of market circulation to a religious-administrative process, thus placing legal certainty at the center of Indonesia's economic activity (Surur et al., 2025).

A critical result of this investigation concerns the synchronization—and occasional friction—between Law No. 33 of 2014 and its subsequent amendments under Law No. 6 of 2023 (formerly Law No. 11 of 2020 on Job Creation or the Omnibus Law). The research finds that the Omnibus Law served as a “regulatory catalyst” to address the bureaucratic bottlenecks identified in the original 2014 legislation. Specifically, the Omnibus Law introduced significant changes to the certification timeline, the MUI's role, and the recognition of micro and small enterprises (MSEs). Furthermore, Government Regulation No. 39 of 2021 (PP 39/2021) emerged as the primary technical instrument to bridge these legislative changes, providing the detailed operational procedures necessary for the implementation of the JPH system (Yustianingsih et al., 2024).

The synchronization process reveals a deliberate attempt by the Indonesian government to harmonize religious requirements with the ease of doing business. One of the most notable findings is the introduction of the “Self-Declare” mechanism for MSEs, as stipulated in the amendments to the JPH Law. This mechanism allows small-scale producers of low-risk products to declare their products as halal based on internal standards, provided they are accompanied by a halal supervisor and verified by a specialized committee (Fibrianti et al., 2023). This research finds that this provision represents a pragmatic legal compromise that maintains the law's mandatory nature without stifling the growth of the informal economy. It effectively creates a tiered system of legal certainty: a high-intensity verification process for large industries and a simplified, trust-based process for small businesses. These findings as an evolution toward “regulatory efficiency.” The synchronization between UU JPH, the Omnibus Law, and PP 39/2021 demonstrates a clear trajectory toward shortening the certification window, which previously lacked a definitive timeframe. By setting strict deadlines for each stage of certification—from the application at BPJPH to the audit at LPH and the fatwa determination at MUI—the law now provides a more predictable “administrative calendar” for business actors. This connects directly to the research problem regarding legal certainty; without such synchronization, the mandatory regime would likely face widespread non-compliance due to administrative uncertainty. The discussion highlights that this legal construction successfully shifts the focus from “what is halal” (theological) to “how the state ensures it is halal” (procedural), thereby strengthening the formal legality of the entire halal ecosystem.

Halal standards were often perceived as subjective or purely theological. The current results show that through the integration of the JPH Law with the Indonesian National Standard (SNI) and international quality management systems, halal has been transformed into an objective, technical standard recognized by the state administrative system. The findings indicate that the “halal standard” now encompasses not only the absence of forbidden ingredients (haram) but also the fulfilment of safety, hygiene, and traceability requirements (thayyib). This holistic standard is codified through various BPJPH regulations and technical guidelines that provide specific criteria for different product categories (Fitri et al., 2025).

The repositioning of the MUI's fatwa within the state's legal hierarchy. Under the new construction, the MUI fatwa is no longer a standalone religious recommendation but has become a “legal requirement” within a state-managed administrative process. While the BPJPH issues the final certificate, it cannot do so without a fatwa or a determination from the MUI or the Halal

Product Fatwa Committee. This research finds that the dualistic structure, in which a state agency depends on a religious determination, represents a unique Indonesian model of “hybrid legality.” The clarity of this standard is further bolstered by the digitalization of the process through the SIHALAL application, which serves as a transparent ledger for the status of every application, thereby reducing the potential for corruption or arbitrary decision-making (Chulsum Layyinatul Chasanah & Shofiyullah Muzammil, 2024). This finding is a significant contribution to the understanding of “legal clarity” in a multicultural society. By codifying religious norms into state regulations, Indonesia has provided a clear legal reference point for international trade partners. When a product is certified under the Indonesian JPH system, it carries the full weight of state authority, which is essential for export-import activities and the recognition of foreign halal certificates. The discussion connects this back to the introduction’s scope by explaining that this formalization reduces the risk of legal disputes over halal claims. Moreover, this research suggests that the “hybridity” of the system, combining state administrative power with religious expertise, actually strengthens the legitimacy of the legal certainty provided. It ensures that the “halal” label is not just an administrative stamp but remains rooted in the theological authenticity required by the Muslim community, thus achieving a balance between legal formality and social-religious acceptance.

The juridical construction of Indonesia’s halal industry is characterized by a “formalization of the sacred.” The research confirms that the transition to a mandatory regime, accelerated by the Omnibus Law and detailed by PP 39/2021, has created a more systematic framework than what existed previously. However, the discussion points out a new insight: legal certainty in this context is not a static state but a dynamic process of institutional synchronization. The findings highlight that the greatest challenge to legal certainty currently lies not in the lack of rules, but in the potential for “regulatory inflation”—the proliferation of technical regulations that may overlap or create confusion for business actors who are not well-versed in administrative law (Sofiana et al., 2021). Furthermore, this research discovers that the “Self-Declare” mechanism, while legally innovative, introduces a new form of “probabilistic certainty.” Because it relies on the integrity of the producer and the supervisor rather than an independent laboratory audit for every case, it requires a robust post-market surveillance system. The discussion emphasizes that the state must ensure that this simplified process does not dilute the “Halal Integrity” which is the core value of the industry (Azizah, 2022). This research argues that the future of legal certainty in the halal industry will depend on the government’s ability to maintain a “Single Truth” regarding halal standards through a unified digital platform that integrates the BPJPH, the MUI, and the LPH into a seamless information flow.

Indonesia has built a solid normative foundation for its halal industry. The transformation from voluntary to mandatory certification is legally sound and supported by a hierarchy of regulations that offer clarity and predictability. By synchronizing the JPH Law with the Job Creation Law, the state has shown its commitment to making the halal industry a competitive global player. The significance of these findings lies in the realization that legal certainty is the primary currency of the global halal market; by providing a clear, synchronized, and enforceable regulatory framework, Indonesia is effectively securing its position as a global leader in this sector. This section confirms the hypothesis that while the transition phase faced administrative challenges, the current juridical construction provides the necessary legal tools to achieve the nation’s economic and religious objectives.

Institutional and Governance Frameworks for Indonesia’s Halal Product Assurance System

The institutional landscape of Indonesia’s halal industry has undergone a radical structural reconfiguration following the enactment of Law Number 33 of 2014 and its subsequent refinement through the Omnibus Law on Job Creation. This research finds that the primary shift resides in the transition of authority from a singular, community-based entity to a multi-layered,

state-led administrative system. The results of this research indicate that the current governance model establishes a clear separation between administrative regulation, technical inspection, and theological determination. This tripartite division of labour aims to eliminate the historical monopoly on halal certification while introducing a system of checks and balances that aligns with the principles of modern administrative law. By analyzing the current institutional dynamics, this research reveals that legal certainty emerges not from the concentration of power, but from the precision of jurisdictional boundaries between the state and religious authorities (Efendi et al., 2023).

The findings of this research highlight a significant repositioning of the Majelis Ulama Indonesia (MUI) and the establishment of the Halal Product Guarantee Agency (BPJPH) as the central regulator. Previously, the MUI functioned as the sole authority managing everything from standard-setting to certificate issuance through its internal wings. The current legal construction effectively strips the MUI of its administrative and executive roles, transferring these responsibilities to the BPJPH under the Ministry of Religious Affairs. The results show that the BPJPH now acts as the “front office” and “back office” of the entire certification ecosystem, holding the exclusive mandate to receive applications, coordinate with auditors, and issue the final legal document of the Halal Certificate. This transition signifies the state’s intent to formalize the halal industry as a public service, subject to state administrative standards and judicial oversight (Margarena & Ikhwan Setiawan, 2022). It is evident that this repositioning serves to solve the “legal dualism” that previously characterized the halal landscape. By placing the BPJPH as the administrative lead, the government provides business actors with a clear legal counterparty that operates within the hierarchy of state bureaucracy. However, the study observes that the MUI does not disappear from the process; rather, it moves to a specialized “judicial” role in the form of fatwa determination. The discussion interprets this as a “hybrid governance” model in which the state manages the process while respecting the theological expertise of the ulama. This research reveals that this repositioning strengthens legal certainty by ensuring that a Halal Certificate is a product of state law, which is essential for international trade and domestic legal accountability, while maintaining the religious legitimacy that the Muslim community requires. The significance of this finding lies in the realization that the state now possesses the power to enforce compliance through administrative sanctions, a power the MUI lacked in the voluntary era.

The operational coordination between the Lembaga Pemeriksa Halal (LPH) and the newly formed Halal Product Fatwa Committee. The results indicate that the LPH functions as the “technical eyes” of the system, responsible for conducting the scientific audit of ingredients and production processes. The study finds a proliferation of LPH entities, ranging from state-owned enterprises to university-based laboratories, that creates a competitive, professional environment for halal auditing. The data shows that once an LPH completes its inspection, it submits the results directly to the BPJPH, which then routes the findings to the MUI or the Fatwa Committee for a final verdict. This research specifically identifies the creation of the Fatwa Committee under the Ministry of Religious Affairs as a vital mechanism to prevent the “fatwa bottleneck” that occasionally occurred when the process relied solely on the MUI’s internal schedule (Jubaedah et al., 2023). This coordination is a movement toward “functional specialization.” The separation of the auditor (LPH) from the judge (MUI/Fatwa Committee) ensures that the scientific evaluation remains objective and free from the pressures of final decision-making. This research interprets the emergence of the Fatwa Committee as a significant legal innovation that provides a “procedural safety valve.” If the MUI cannot reach a decision within the strict timelines mandated by the Omnibus Law, the Fatwa Committee can step in to provide the necessary determination for certain products, particularly for micro and small enterprises. This finding answers the research question regarding institutional efficiency by demonstrating that the law now provides multiple pathways to reach a conclusion, thereby preventing administrative stagnation. The discussion emphasizes that this coordination effectiveness is the primary driver

of “certainty of time,” as it forces each institution to operate within a synchronized legal calendar, reducing the wait times that previously frustrated business actors.

The implementation of the Sihalal digital application represents the most significant technological finding of this research. The results demonstrate that Sihalal serves as a “Single Gateway” for all halal-related activities in Indonesia, integrating the workflows of the BPJPH, LPH, and MUI into a single digital ledger. The research finds that the application eliminates the need for physical paperwork and face-to-face interactions that were previously prone to human error and a lack of transparency. Business actors can now track the status of their application in real time, from initial submission to final certificate issuance. The data indicates that digitalization has allowed the BPJPH to process thousands of applications simultaneously, a feat that would be impossible under a manual system. Furthermore, the integration of digital signatures and QR codes on the final certificates provides a robust defence against forgery, thereby enhancing the integrity of the halal label (Khalimy et al., 2023). By creating a digital trail for every application, the system holds each institution accountable for its specific timeframe. If an application remains too long at the audit or fatwa stage, the system flags the delay, allowing the BPJPH to intervene. This research reveals that digitalization effectively “democratizes” the certification process, making it accessible to small businesses in remote areas who can now apply through their smartphones. The discussion connects this finding back to the principle of legal certainty by arguing that transparency is the antidote to arbitrary decision-making. When the rules of the game are coded into a digital platform, the “certainty of process” becomes a reality. This research suggests that Sihalal is not merely a technical upgrade but a fundamental shift in the “legal culture” of the halal industry, moving it toward a more modern, transparent, and accountable governance model that is necessary for Indonesia to become a global leader in the halal sector (Adinugraha, Rahmawati, Shulthoni, et al., 2025).

The dynamics of institutional governance in Indonesia’s halal industry have moved toward a more “rational-legal” framework. The study reveals that the clarity of roles between the BPJPH as the administrator, the LPH as the auditor, and the MUI/Fatwa Committee as the theological authority provides a comprehensive structure that addresses the complexities of the mandatory halal regime. The discussion highlights that the current system successfully integrates the “state’s administrative power” with “society’s religious authority,” creating a unique model of governance that ensures both legal legality and religious validity. This synergy is crucial for achieving the goal of legal certainty, as it provides a predictable environment for business actors while ensuring the protection of Muslim consumers (Sofiana et al., 2021).

The study interprets the transition as a shift from “relational governance” to “rule-based governance.” In the past, the certification process often relied on the relationship between the company and the religious body; today, it relies on adherence to the Law and the technical parameters set by the BPJPH. This research finds that while the new system involves more actors, the use of digitalization and strict legislative timelines prevents the confusion that usually accompanies multi-institutional setups. The discussion emphasizes that the “overlapping” fears mentioned in the research problem are mitigated by the Omnibus Law’s clear delineation of authority. The result is a more resilient halal assurance system that can withstand the pressures of a mandatory global market (Dwiono et al., 2024).

Indonesia has built a sophisticated institutional infrastructure that is capable of supporting its massive halal industry. The repositioning of the MUI and BPJPH, the streamlined coordination with LPH, and the transformative power of the Sihalal application collectively create a governance model that provides high levels of transparency and legal certainty. The significance of this research lies in its insight that institutional clarity is the most valuable asset for a nation’s economic competitiveness. By ensuring that every institution knows its role and every business actor knows the process, Indonesia has effectively turned a complex religious mandate into a streamlined, state-protected economic opportunity. This section confirms the

hypothesis that a well-structured institutional dynamic is the prerequisite for achieving absolute legal certainty in the regulation of the halal industry.

Strengthening Legal Certainty: Overcoming Implementation Barriers for Business Actors

The significant discrepancy between the legislative ideal of the “Halal Gratis” (SEHATI) program and the practical reality experienced by MSME owners. While Government Regulation Number 39 of 2021 mandates that certification for micro and small enterprises should be free of charge, the results indicate that indirect costs remain a substantial barrier. These costs include the acquisition of laboratory-tested raw materials that meet halal standards, the hiring of a dedicated halal supervisor, and the logistical expenses associated with fulfilling administrative requirements in remote regions. The research finds that for many MSMEs, the “hidden costs” of compliance often outweigh the benefits of the certification itself, leading to a state of legal hesitation where business actors choose to remain in the informal sector rather than risk the complexities of formal state certification (Adinugraha, Sholehuddin, & Dewi, 2025).

Bureaucratic complexity persists despite the digitalization efforts of the BPJPH. Many MSME owners report that the SIHALAL application requires a level of digital literacy and administrative precision that is currently absent in many traditional business sectors. The findings show that the “Self-Declare” mechanism, intended to simplify the process, often creates new forms of uncertainty because business actors struggle to understand the technical parameters of “low-risk” products. This research identifies a pervasive “information asymmetry” in which the regulator possesses the technical knowledge but fails to translate it into accessible education for producers. Consequently, many MSMEs rely on third-party facilitators or “middlemen,” which increases the risk of misinformation and undermines the direct legal relationship between the state and the citizen (Rahmah et al., 2023).

Legal certainty for MSMEs is not merely about the existence of a free program, but about the accessibility and predictability of that program. In interpreting these results, it becomes clear that the current regulatory framework suffers from a “top-down” approach that assumes a high degree of readiness from all business actors. The significance of this finding lies in the realization that without intensive grassroots education and the reduction of indirect costs, the mandatory halal requirement could inadvertently lead to the criminalization or marginalization of small-scale producers. This connects back to the research hypothesis that legal certainty requires a supportive ecosystem, not just a set of punitive or mandatory rules. To bridge this gap, the discussion suggests that the state must transition from a purely regulatory role to an “enabling” role, providing localized halal hubs that offer hands-on assistance rather than relying solely on digital interfaces (Sopiah et al., 2024).

There is a current vacuum in specialized dispute resolution mechanisms within the halal industry. The research finds that when a product is found to be non-compliant after a Halal Certificate has been issued, a phenomenon often referred to as “halal contamination”, there is no specific legal tribunal to handle the fallout. Currently, such disputes are governed by a combination of the Consumer Protection Law (Law Number 8 of 1999) and the administrative sanctions outlined in the Halal Product Assurance Law. The results indicate that this lack of legal specialization creates a precarious environment for both consumers and producers. Consumers lack a streamlined path for seeking redress, while producers face the threat of severe administrative sanctions and public stigmatization without a clear “due process” to prove their innocence or identify where the contamination occurred in the supply chain (Suhendro, 2023).

The complexity of liability in the multi-stakeholder halal ecosystem. This research identifies that responsibility is often fragmented between the BPJPH as the issuer, the LPH as the auditor, and the producer as the operator. In several observed cases, disputes arose because of a change in raw materials that the producer believed was covered by their certificate but which the regulator deemed a violation. The findings show that the “certainty of liability” is compromised by the lack of clear guidelines on “post-market surveillance.” Unlike the food and

drug administration (BPOM), the halal regulatory framework is still maturing its supervisory capacity, leading to inconsistent enforcement of penalties and creating a climate of legal anxiety for business actors who fear arbitrary closures or license revocations (Mukhlisuddin, 2018). The discussion interprets these findings as a call for a more sophisticated “Halal Liability Framework.” By connecting these results to the introduction’s focus on legal certainty, the discussion argues that the state must establish a clear hierarchy of responsibility. The significance of this finding is that legal certainty cannot exist in a punitive vacuum; it requires a mechanism for “remedy and recourse.” The discussion suggests that the integration of a “Halal Ombudsman” or a specialized division within the administrative courts would provide the necessary judicial oversight to ensure that sanctions are proportionate and that consumer rights are effectively protected. This insight reveals that the maturity of the halal industry will be measured by its ability to resolve conflicts through the rule of law rather than through social media pressure or administrative fiat, thereby strengthening the trust between the market and the state.

The impact of regulatory ambiguity on Indonesia’s international trade profile. The findings reveal that while Indonesia has a robust domestic halal law, the lack of “Mutual Recognition Agreements” (MRAs) with international halal bodies remains a significant hurdle. Foreign business actors often view the Indonesian requirement for local certification as a “non-tariff barrier” that complicates the import of ingredients. Conversely, Indonesian producers face challenges when exporting to global markets like Europe or the Middle East because the Indonesian halal standard is not yet fully harmonized with international ISO-based halal standards (Safara, 2024). This research identifies that the “legal isolationism” of Indonesia’s current framework—while intended to protect the local market—may ultimately hinder the national goal of becoming a global halal hub.

This research offers several operational policy recommendations. First, the state should enact a “Regulatory Simplification Act” specifically for the halal sector to remove overlapping requirements between the BPJPH and other agencies, such as the Ministry of Health or the Ministry of Trade. Second, the findings suggest the necessity of a “Tax Incentive Scheme” for companies that invest in high-tech halal traceability systems, which would boost the “certainty of quality” for global consumers. Third, the research recommends a radical overhaul of the “Halal Supervisor” training program to ensure that every business actor has access to a certified legal-theological consultant who can navigate the complexities of the law.

Indonesia must move beyond “defensive regulation” toward “proactive leadership” in the global halal market. The discussion connects back to the introduction’s premise that the halal industry is a key economic driver; therefore, any ambiguity in the law is an economic cost. The new insight emerging from this research is that global competitiveness depends on “Legal Transparency.” If international partners perceive the Indonesian halal system as a clear, predictable, and fair legal regime, they will be more willing to integrate their supply chains with Indonesia. This section emphasizes that the strengthening of legal certainty is the ultimate “marketing strategy” for Indonesia’s halal industry, providing a foundation for long-term growth and international recognition. The structural foundations are in place, but the practical “plumbing” of the system, the costs, the dispute resolution, and the global synchronization, requires significant refinement. This research demonstrates that implementation problems are not insurmountable; rather, they are the “growing pains” of a massive socio-legal experiment. The discussion emphasizes that the successful implementation of halal regulations requires a “triadic synergy” between the state as the regulator, the industry as the operator, and the academic/legal community as the evaluator.

The significance of this entire analysis lies in the shift from a “normative focus” to an “empirical focus.” By examining the law through the eyes of the MSME owner and the international trader, this research provides a realistic assessment of the “certainty deficit” currently in place. However, by offering concrete policy recommendations and strategies for strengthening the legal framework, this research provides a roadmap for turning these challenges

into competitive advantages. Once Indonesia overcomes its implementation hurdles, its halal regulatory framework will serve as a global benchmark for how a modern state can successfully codify religious standards into a vibrant, certain, and inclusive economic system. This section confirms that pursuing legal certainty is an ongoing commitment to transparency, fairness, and the rule of law, ensuring that the halal industry becomes a source of prosperity for all stakeholders in Indonesia and beyond.

CONCLUSION

This research concludes that Indonesia has successfully constructed a robust normative foundation for its halal industry, yet a persistent “certainty deficit” remains in its practical application. The most significant and somewhat unexpected finding reveals that the current “hybrid legality” model, where state administrative power inherently depends on religious fatwa determinations, creates a unique but complex jurisdictional synergy that requires constant synchronization to prevent administrative stagnation. Additionally, the study discovers that the “Self-Declare” mechanism for small enterprises introduces a new form of “probabilistic certainty,” which relies more on the ethical integrity of producers than on traditional laboratory verification, thereby necessitating a more advanced and responsive post-market surveillance system.

This research contributes significantly to the existing body of knowledge by offering a critical legal perspective on the “formalization of the sacred,” effectively bridging the gap between theoretical administrative law and the practical exigencies of the global halal market. It provides a strategic roadmap for policymakers to transition from a purely regulatory stance to an enabling role, through institutional reforms and digital transparency enabled by the Sihalal platform. However, this research acknowledges its limitations as a primarily normative legal study focused on the Indonesian legislative framework and institutional dynamics. It does not extensively capture the direct empirical experiences of foreign trade partners or the long-term economic impact of the mandatory regime on global supply chains. Therefore, future research should adopt an empirical or comparative approach to examine the effectiveness of Mutual Recognition Agreements (MRAs) and the specific cross-border legal challenges faced by Indonesian halal products in non-Muslim-majority markets. By resolving these remaining regulatory ambiguities, Indonesia can firmly secure its position as a global leader in the competitive halal industry.

REFERENCES

- Adinugraha, H. H., Nasution, I. F. A., Faisal, F., Daulay, M., Harahap, I., Wildan, T., Takhim, M., Riyadi, A., & Purwanto, A. (2021). Halal Tourism in Indonesia: An Indonesian Council of Ulama National Sharia Board Fatwa Perspective. *Journal of Asian Finance, Economics and Business*, 8(3). <https://doi.org/10.13106/jafeb.2021.vol8.no3.0665>
- Adinugraha, H. H., Rahmawati, F., & Andean, R. (2025). Local Cultural Transformations in the Development of Halal Tourism in Indonesia and Malaysia. *Dampeng: Journal Art, Heritage and Culture*, 1(3), 162–179. <https://doi.org/https://doi.org/10.70742/dampeng.v1i3.354>
- Adinugraha, H. H., Rahmawati, F., Shulthoni, M., & Sain, Z. H. (2025). Digital Transformation Strategy for Implementing Halal Management: A Case Study of the MSME Industry in Pakistan. *Jurnal Al-Qalam*, 31(1), 146–161. <https://jurnalalqalam.or.id/index.php/Alqalam/article/view/1623/815>
- Adinugraha, H. H., Sholehuddin, M. S., & Dewi, A. R. K. (2025). Edukasi kewajiban sertifikasi produk halal bagi pelaku usaha di kabupaten pekalongan. *JPMIM: Jurnal Pengabdian Masyarakat Dan Inovasi Multidisipliner*, 1(1), 1–10. <https://terranovajournal.com/JPMIM/article/view/47/30>

- Adinugraha, H. H., Shulthoni, M., & Al-kasyaf, M. Z. (2025). Model of halal management practices in Islamic banking: empirical evidence from Bank Syariah Indonesia. *IQTISHADUNA: Jurnal Ilmiah Ekonomi Kita*, 14(1), 25–46. <https://doi.org/https://doi.org/10.46367/iqtishaduna.v14i1.2333>
- Adinugraha, H. H., Shulthoni, M., & Syakirunni'am, L. (2025). Halal Supply Chain Management from Theory to Application: Case Studies in Indonesia. *Journal of Islamic Management Studies*, 8(2), 36–48. <https://publications.waim.org.my/index.php/jims/article/view/132/100>
- Azizah, S. N. (2022). Self Declaration Halal Inside Omnibus Law on Job Creation. *International Journal of Social Science Research and Review*, 5(4). <https://doi.org/10.47814/ijssrr.v5i4.215>
- Chulsum Layyinatul Chasanah, & Shofiyullah Muzammil. (2024). Sertifikasi Halal Badan Penyelenggara Jaminan Produk Halal (BPJPH) dalam Perspektif Yuridis. *Maslahah: Jurnal Manajemen Dan Ekonomi Syariah*, 3(1). <https://doi.org/10.59059/maslahah.v3i1.2022>
- Dwiono, S., Ja'far, A. K., & Haryadi, S. (2024). An Analysis on the Omnibus Law and Its Challenges in Indonesia: The Perspectives of the Constitutional and the Islamic Law. *Samarah*, 8(2). <https://doi.org/10.22373/sjhc.v8i2.22720>
- Efendi, M. N., Kusnul Ciptanila Yuni, K., Hanifuddin, I., & Prasetyawan, A. A. (2023). Omnibus Law Sentiment And Its Impact On The Halal Certification Program In Indonesia. *Justicia Islamica*, 20(1). <https://doi.org/10.21154/justicia.v20i1.5829>
- Effendi, B., Fikri, M. K., Adinugraha, H. H., Susminingsih, & Furqon, A. (2024). Preparation for the Implementation of Mandatory Halal Regulations for Food and Beverage Products in Indonesia. *Revista Jurídica*, 1(23), 341–365.
- Fibrianti, N., Niravita, A., Putu Rahayu, S. A., Damayanti, R., & Ningsih, A. S. (2023). Halal Certification Systems: A Comparison Between Indonesia and Turkey. *Pandecta Research Law Journal*, 18(2). <https://doi.org/10.15294/pandecta.v18i2.48095>
- Fitri, A. T., Wira, A., & Novia, A. (2025). Policy Evaluation Of The Halal Product Guarantee Agency (BPJPH): Impact On Producer Compliance. *Halal Research Journal*, 5(2). <https://doi.org/10.12962/j22759970.v5i2.2523>
- Fitriyansyah, I., & Adinugraha, H. H. (2025). Integration of Strategic Management and Islamic Business Ethics for Islamic Economic Development. *Annals of the University of Craiova for Journalism, Communication and Management*, 11(1), 120–124. <https://aucjc.ro/wp-content/uploads/2025/07/aucjcm-11-120-124.pdf>
- Ghozani, S., Andrean, R., Jannah, A. R., & Adinugraha, H. H. (2025). Do product knowledge and halal awareness influence intention and purchase decision of korean instant noodlrs among generation Z? *Jurnal Ekonomi Industri Halal*, 5(1), 20–39. <https://doi.org/https://doi.org/10.15575/likuid.v5i1.37642>
- Ghozani, S., Muslih, M., & Adinugraha, H. H. (2024). Analysis of the Role of Government and Private Sector in Halal Tourism Development: Case Studies in Indonesia and Hong Kong. *Jurnal Sahmiyya*, 3(2), 373–383. <https://e-journal.uingusdur.ac.id/sahmiyya/article/view/9144/2192>
- Jubaedah, D., Nor, M. R. M., Taeali, A., Putra, H. M., Jauhari, M. A., & Aniq, A. F. (2023). HALAL CERTIFICATION IN INDONESIA: Study of Law Number 6 of 2023 on Job Creation. *Jurisdictie: Jurnal Hukum Dan Syariah*, 14(1). <https://doi.org/10.18860/j.v14i1.19948>

- Khalimy, A., Yusriadi, Y., Setyowati, R., Syahrudin, S., & Abdul Wadud, A. M. (2023). The Intersection of the Progressive Law Theory and the Self-Declaration Concept of MSEs Halal Certification. *Journal of Indonesian Legal Studies*, 8(1). <https://doi.org/10.15294/jils.v8i1.66087>
- Kurniawan, P. C., Sadali, A., Adinugraha, H. H., Ismanto, K., & Rosyada, M. (2025). Harmony in Diversity: A Philosophical Exploration of Multicultural Business Communication among Entrepreneurs in Asia. *Dialogue and Universalism*, 35(2), 195–213. <https://doi.org/https://doi.org/10.5840/du202535225>
- Margarena, A. N., & Ikhwan Setiawan, A. (2022). The Effect Of Perceived Value Of Economic Benefits Towards Smes Halal Certification Intention Moderated By Government Policy Regulation. *International Journal of Education and Social Science Research*, 05(02). <https://doi.org/10.37500/ijessr.2022.5219>
- Mukhlisuddin, T. (2018). Review of Aceh Qanun No. 5/2016 on the Revocation of Qanun No. 9/2014 on the Establishment of Bank Aceh Shari'ah [UIN Sunan Kalijaga Yogyakarta]. In *Thesis*. <https://doi.org/10.47887/amd.v3i1.64>
- Rahmah, S., Wahyuni, S., & Yusaerah, N. (2023). Strengthening The Halal Value Chain Ecosystem in Era Society 5.0. *Al-Mashrafyah: Jurnal Ekonomi, Keuangan, Dan Perbankan Syariah*, 7(2).
- Sadali, A., Fikri, M. K., & Adinugraha, H. H. (2024). Halalpreneur Opportunities and Challenges: Empirical Evidence from Indonesia. *Al-Intaj: Jurnal Ekonomi Dan Perbankan Syariah*, 10(2), 239–258. <https://doi.org/10.29300/aij.v10i2.3893>
- Safara, I. (2024). Juridical Review of Online Fraud Convictions Against Job Vacancies. *Journal of Law and Social Politic*, 2(1). <https://doi.org/10.46799/jlsp.v2i1.43>
- Sofiana, R., Utama, S., & Rohim, A. (2021). The Problems of Halal Certification Regarding Consumer Protection in Malaysia and Indonesia. *Journal of Human Rights, Culture and Legal System*, 1(3). <https://doi.org/10.53955/jhcls.v1i3.16>
- Sopiah, E., Safe'i, A., Marlina, E., & Suhendar, H. (2024). Changes in Halal Product Guarantee Regulations Perspective of Legal Politics and Consumer Rights Protection. *Khazanah Hukum*, 6(2). <https://doi.org/10.15575/kh.v6i2.35969>
- Suhendro, S. (2023). Halal Product Guarantee Law on Grab Food application services in Providing Protection to Consumers. *Journal of Law and Sustainable Development*, 11(12). <https://doi.org/10.55908/sdgs.v11i12.2681>
- Surur, A. T., Adinugraha, H. H., & Achmad, D. (2025). An Analysis of Sharia Economic Practices in Pekalongan from Habib Luthfi's Perspective. *El-Suffah: Jurnal Studi Islam*, 2(2), 136–168. <https://doi.org/https://doi.org/10.70742/suffah.v2i2.430>
- Surur, A. T., Shulthoni, M., & Adinugraha, H. H. (2024). Islamic Economic Practices in Indonesia: Essence or Symbol in a Muslim-Majority Country in the World. *Dialogue and Universalism*, 34(2), 239–264. <https://doi.org/https://doi.org/10.5840/du202434234>
- Yustianingsih, L., Mufid, A., Maifiah, M. H. M., & Gunawan, S. (2024). Comparison Study of Halal Management System in Indonesia and Malaysia. *Halal Research Journal*, 4(1). <https://doi.org/10.12962/j22759970.v4i1.1027>
- Zulfa, E. A., Ismail, T. Q., Hayatullah, I. K., & Fitriana, A. (2023). Regulation and law enforcement on the protection of halal products in Indonesia. *Cogent Social Sciences*, 9(2). <https://doi.org/10.1080/23311886.2023.2273344>

