

Halal Certification Management Procedure for Cosmetic Products in Indonesia After Government Regulation Number 31 of 2019

(Prosedur Pengelolaan Sertifikasi Halal pada Produk Kosmetik Pasca Peraturan Pemerintah Nomor 31 Tahun 2019)

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Abstract: In ensuring the halalness of a product, the Indonesian government issued Government Regulation no. 31 of 2019, following up on changes to the flow of halal certification as stated in the Halal Product Assurance Law Number 33 of 2014, which the Ministry of Religion manages, Division of the Halal Product Assurance Organizing Body (BPJPH). This study aims to reveal the differences in the management of halal certificates before and after the Halal Product Guarantee Act (UU JPH). In addition, this study also discusses the procedures carried out by LPPOM - MUI and BPJPH in the management of halal certificates for cosmetic products. This study uses a descriptive qualitative approach, with the research object being LPPOM MUI and BPJPH Banten Province. Data were obtained from interviews, literature study. The study results indicate significant changes that occur with the emergence of the role of BPJH as the central institution authorized in the halal certification process. The management of halal certification for cosmetic products is adjusted to the tariff with categories ranging from large, medium, medium, or home industry businesses.

Keywords: Cosmetics, LPPOM MUI, BPJPH, Halal Certification

Abstrak: Dalam menjamin kehalalan suatu produk, maka pemerintah Indonesia mengeluarkan Peraturan Pemerintah No. 31 Tahun 2019 menindaklanjuti perubahan alur pembuatan sertifikasi halal sebagaimana tertuang dalam Undang-Undang Jaminan Produk Halal Nomor 33 Tahun 2014 yang dikelola oleh Kementerian Agama Divisi Badan Penyelenggara Jaminan Produk Halal (BPJPH). Penelitian ini bertujuan untuk mengungkapkan perbedaan pengelolaan sertifikat halal sebelum dan sesudah adanya Undang Undang Jaminan Produk Halal (UU JPH). Selain itu penelitian ini juga membahas prosedur yang dilakukan LPPOM – MUI dan BPJPH dalam pengelolaan sertifikat halal pada produk kosmetik. Penelitian ini menggunakan pendekatan kualitatif deskriptif dengan objek penelitian adalah LPPOM MUI dan BPJPH Provinsi Banten. Data diperoleh dari hasil wawancara, studi literatur. Hasil Penelitian menunjukkan adanya perubahan yang signifikan yang terjadi dengan munculnya peran BPJH sebagai lembaga utama yang berwenang dalam proses sertifikasi halal. Pengurusan sertifikasi halal produk kosmetik disesuaikan besaran tarifnya dengan kategori jenis mulai dari besar, menengah, sedang, atau usaha industri rumah tangga.

Kata Kunci : Kosmetik, LPPOM MUI, BPJPH, Sertifikasi Halal.

INTRODUCTION

In Islam, Muslims are forbidden to consume anything except halal. Not only *halāl* (lawful) but also *ṭayyib* (good food). The strict teaching of Islamic Law is reinforced by the existence of verses of the Qur'an to avoid anything that is forbidden and carry out what God has commanded. As the verse in QS. al-Nahl [16] : 114 which reads:

كُلُوا مِمَّا رَزَقَكُمُ اللَّهُ حَلَالًا طَيِّبًا وَاشْكُرُوا نِعْمَتَ اللَّهِ إِنَّ كُنُتُمْ إِيَّاهُ تَعْبُدُونَ

"So eat of the lawful and good food which Allah has provided for you. And be grateful for the Graces of Allah, if it is He Whom you worship."

The verse above explains that a Muslim is obliged to consume halal food from the sustenance provided by Allah to the Muslim. If expanded, the verse not only explains food or drink but outside our body, including cosmetics.

Based on population growth analysis by the National Development Planning Agency (IBRA), it is known that 87.2% of Indonesians are Muslims. It makes halal in a product significantly impact the purchasing decisions some companies must consider.¹

According to the Indonesian Ministry of Industry, 95% of the National Cosmetic Industry is a small and medium-sized industrial sector and other large-scale industries. The potential of this commodity market is among others; First is the increasing number of young population or milline generation. Second is the trend of people to use natural products (back to nature) to open the opportunity for the emergence of natural cosmetic products.²

A Muslim's need for halal products should be supported by halal guarantees from the government. However, the products circulating in Indonesia are not all of them have been guaranteed halal according to *research*³ conducted by researcher Eko Harry Susanto stated that *"Beauty products that are trending today in Indonesia is a beauty product from Korea that certainly does not pay attention to Halal Label. So it becomes challenging to find."*⁴

Especially in Indonesia, the Institution that handles the products of Muslims is the Institute for Supervision and Distribution of Drugs and Food Of the Indonesian Ulema Council (LPPOM MUI). This Institution has a role in supervising products circulating in the community by giving halal logos on products that have been certified halal. It means that the product has passed the qualification test of the process and its content and is free from prohibited substances (*harām*) so that it is safe to be consumed by Muslims. Cosmetic manufacturers are also increasingly

¹ The Pew Forum on Religion & Public Life, "Indonesia, the World's Largest Muslim-Populated Country," 2016, <https://databoks.katadata.co.id/datapublish/2016/11/11/indonesia-negara-berpenduduk-muslim-terbesar-dunia>.

² Kementerian Perindustrian, "Industri Kosmetik Nasional Tumbuh 20%," 2018.

³ Hayyun Faridah, "Halal Certification in Indonesia: History, Development and Implementation of Halal," *Halal Product and Research* 2 (2019): 1.

⁴ Jesslyn Jesslyn and Eko Harry Susanto, "Analisis Penggunaan Label Halal Pada Produk Kecantikan Brand Safi Dalam Menarik Minat Beli Masyarakat," *Prologia* 2, no. 2 (2019): 385, <https://doi.org/10.24912/pr.v2i2.3716>.

rating to issue innovations in products to bring a lot of consumer interest to buy such products.⁵

Halal industry in Indonesia is mainly supported by Micro, Small, and Medium Enterprises (MSME). The business area in Indonesia focuses on such as halal food and drinks, halal fashion, halal tourism, halal management, and other businesses.⁶ However, Indonesia still has the opportunity to advance the halal industry in other areas such as halal cosmetics since the rising demography advantage. Halal products are food products, medicines, cosmetics and other products that do not contain illicit goods or prohibited to be consumed or used by Muslims. Both concerning raw materials, additives, auxiliary materials and other auxiliary materials whose processing is carried out Islamic law.⁷

Halal certification is a written fatwa from the Indonesian Ulema Council (MUI) that states the halalness of a product per Islamic law and is a requirement to obtain permission to include halal labels on product packaging from authorized government agencies. Halal labeling includes halal logos, writings, or statements on product packaging to show that the product in question is halal products according to Islamic religious standards and Indonesian government regulations to protect consumers. In the manufacture of a halal label, a halal product is required halal Certificate by LPPOM MUI,⁸ which is written by declaring halal on a product according to Islamic law.⁹

Halal Certificate is a written fatwa issued by MUI that states the halalness of a product which is the decision of the MUI Fatwa Commission hearing based on the audit process conducted by LPPOM MUI.¹⁰ Discussion of halal Certificate in cosmetic manufacturers is fascinating because many new cosmetic brands have entered the market in Indonesia without knowing whether the cosmetic brand has passed the qualification test. It is what made the government, on September 25, 2014, pass the Halal Product Guarantee Law (JPH) in Government Regulation (P.P.) Number 31 of 2019 on the implementation of Law No.33 of 2014, which reads:

"To ensure the availability of Halal Products, determined product materials that are declared halal, both materials derived from raw materials of animals, plants, microbes, or materials produced through chemical processes, biological processes, or genetic engineering processes. Besides,

⁵ Ady Syahputra and Haroni D. Hamoraon, "Pengaruh Labelisasi Halal Terhadap Keputusan Masyarakat Kecamatan Perbaungan Dalam Pembelian Produk," *Jurnal Ekonomi Dan Keuangan* 2, no. 8 (2014): 475–87.

⁶ A Kafabih and Ana Toni Roby Candra Yudha, "Halal Industry during the Covid-19 Pandemic Is The Hidden Blessing: Industri Halal Selama Pandemi Covid-19 Adalah Berkah Tersembunyi," *El-Qist: Journal of Islamic Economics and ...* 11, no. 1 (2021): 18–32, <http://jurnalfebi.uinsby.ac.id/index.php/elqist/article/view/406>.

⁷ Ade Septiawan and Ahmad Mukri Aji, "Kewenangan Lembaga Pengkajian Pangan, Obat-Obatan, Dan Kosmetika - Majelis Ulama Indonesia Pasca Berlakunya UU No. 33 Tahun 2014 Tentang Jaminan Produk Halal," *SALAM: Jurnal Sosial Dan Budaya Syar-I* 3, no. 2 (2016): 167–96, <https://doi.org/10.15408/sjsbs.v3i2.3676>.

⁸ Nur Hijriah and Gunawan Saleh, "Pengaruh Label Halal Pada Produk Kosmetik Terhadap Keputusan Membeli," *CommuniVerse* 3, no. 2 (2018): 50–75.

⁹ Ian Alfian, "Analisis Pengaruh Label Halal, Brand Dan Harga Terhadap Keputusan Pembelian Di Kota Medan," *At-Tawassuth* Vol.2, No. (2017): 127.

¹⁰ M Ade Septiawan Putra, "Kewenangan Lppom Mui Dalam Penentuan Sertifikasi Halal Pasca Berlaku Nya Uu No. 33 Tahun 2014" (UIN Syarif Hidayatullah, 2015).

BPJH is also determined, a series of activities to ensure the halalness of products that include the provision of materials, processing, storage, packaging, distribution, sales, and product presentation".¹¹

Based on the background above, further research needs to be conducted related to LPPOM - MUI and BJPH procedures in managing halal certificates that the government just issued on October 27, 2019. This study aims to reveal the differences in the management of halal certificates before and after the Existence of Halal Product Guarantee Law (JPH Law). This study also discussed the procedures carried out by LPPOM – MUI, and BPJPH to manage halal certificates in cosmetic products. This research is expected to reference entrepreneurs and the public to know better the procedures for handling halal certification permits and strengthening literacy on halal product guarantees.

As already explained in the background of the problem, to support a more comprehensive analysis, the authors took two previous studies that have a relationship with the title of the study to be researched, including; A study that provides information about the validity of Halal Product Guarantee (BJPH) in Indonesia after the existence of Law No. 33 of 2014 on Halal Product Guarantee (UUJPH), which further emphasizes the importance of halal and haram issues. Businesses manage all halal product in the production chain until it reaches the hands of consumers and is consumed by consumers, where there is also the role of intermediaries such as distributors, sub-distributors, wholesalers, and retailers before it reaches the hands of the end consumer. The implementation of UUJPH aims to ensure that consumers (the public at large) get legal certainty over food products and other consumer goods. As for businesses, the presence of UUJPH guides how to process, process, produce, and market products to the consumer community, as well as how to make halal product information to consumers. The research method used is qualitative research with data sourced from journal references or shrimp-government laws. However, it only explains the regulation of halal products before and after the halal product guarantee law.¹²

Another study aims to explain how much influence halal labels have on purchasing decisions on cosmetic products to determine how much attention FEBI IAIN students have on halal labels on cosmetics. The researchers say that many still think using a cosmetic should not be labeled halal. This evidence shows the lack of support to use cosmetic products labeled halal on FEBI IAIN Langsa students. The lack of support can be due to the lack of knowledge of students about the law using cosmetic products labeled halal contained in the *Qur'ān* and *Hadīth*. The majority of students think a product containing halal information is halal. However, the belief must be supported by his knowledge of the authenticity of the halal label. The research method used is quantitative research with data in numbers and analysis using statistics. Nevertheless, in practice, only mention the influence of halal labels

¹¹ Zumroh Najiyah, "Implementasi Kewajiban Pendaftaran Sertifikasi Halal Dalam Pasal 4 Undang-Undang Nomor 33 Tahun 2014 Tentang Jaminan Produk Halal" (UIN Maulana Malik Ibrahim Malang, 2016).

¹² May Lim Charity, "Jaminan Produk Halal Di Indonesia (Halal Products Guarantee In Indonesia)," *Jurnal Legislas* 14, no. 1 (2017): 99–108.

on cosmetics for students FEBI IAIAN Langsa alone without investigating which FEBI students consume types of cosmetic halal labels.¹³

This study develops from previous research by reviewing cosmetic users and institutions that overshadow halal auctions and halal certification on cosmetic products (LPPOM - MUI and BPJPH) with literature and field studies that can later produce more comprehensive and more accurate conclusions.

LITERATURE REVIEW

Cosmetic

Cosmetics is an essential need for its role in beauty for the beauty of the human body. Regulation of the Food and Drug Control Agency (BPOM) on Cosmetic Technical Requirements explains that ingredients or preparations are intended for use outside the human body.¹⁴

Cosmetics on the market are very diverse in both brands, types, uses, and colours and shapes, so it often confuses consumers in selecting cosmetics. Classification of cosmetics according to their use for the skin is divided into two types, namely:

1. *Skincare cosmetics (skincare cosmetic)* is a cosmetic to maintain, care for and maintain skin condition.
2. *Cosmetic makeup (cosmetic or makeup)* is a cosmetic to beautify the face.

Halal Products

The general definition of halal products is a product that meets the requirements of halal under Islamic sharia, which includes:

1. It does not contain pigs and their derivatives.
2. It does not contain forbidden substances, such as materials derived from parts of the human body, blood, nails, hair,
3. The product materials are derived from halal animals slaughtered according to Islamic shari'a ordinances.
4. All facilities, including storage, sale, processing, and transportation, should not process pigs and their derivatives. If it has happened, it must be cleaned by the ordinances regulated according to Islamic shari'a.
5. Foods and beverages that do not contain wine or alcohol.¹⁵

So it can be concluded that the requirements of halal food products according to Islamic law are:

1. Halal Substances.

The first thing to note in determining the halalness of food is the substance or the essential ingredients of the food that God allows. If the food is contained substances or foods that are not halal, then the status of the mixed food is haraam and should not be consumed by Muslims.

¹³ Fauziah, Islami Fahmi Arraruf, and Fahrizal, "Pengaruh Label Halal Terhadap Keputusan Pembelian Produk Kosmetik Halal Di Kota Malang," *Jurnal Ilmiah Mahasiswa FEBI IAIN LANGSA* 1, no. 2 (2019).

¹⁴ Wiku Adisasmito, "Analisis Kebijakan Nasional MUI Dan BPOM Dalam Labeling Obat Dan Makanan," *Universitas Stuttgart*, 2008.

¹⁵ Wahyu Susihono et al., "Tingkat Penggunaan Bahan Tersertifikasi Halal Berdasarkan Usulan Bidang Audit Kepada Tim Komisi Fatwa Mui Provinsi Banten," *Indonesia Journal of Halal* 1, no. 1 (2018): 43, <https://doi.org/10.14710/halal.v1i1.3113>.

2. Halal how to obtain it
All products are halal, and if the substance is halal, then the product can be halal, depending on how to obtain it. Halal products can become illegal if obtained through stealing, deceiving, usury and corruption.
3. Halal in processing it
The next halal category that must be fulfilled is how to process the product. If the product has been obtained halal, then the raw material becomes halal. If the food is processed using something haram, the product can become haram.
4. Halal in storage, transportation, and presentation
The last halal category is how the food is stored, transported, and served before consumption.¹⁶

Halal Labeling

Halal labeling is the licensing of installing the word "Halal" on a company's product packaging by the LPPOM. The license to put "Halal Label" on product packaging issued by the POM agency is based on MUI recommendation in the form of MUI Halal Certificate. MUI Halal Certificate issued by MUI based on the results of LPPOM MUI examination.¹⁷

Requirements to obtain permission to put halal labels on product packaging from authorized government agencies:¹⁸

1. All ingredients derived from halal animals are slaughtered according to Islamic shari'a ordinances.
2. All its storage, place of sale, place of management, and transportation are not used for pigs. If it has ever been used for pigs or other unfaithful items, they must first be cleaned with ordinances regulated according to Islamic shari'a.
3. All food and drink that does not contain wine.

Halal Assurance System

Halal Assurance System is management prepared, applied by halal certificate holder companies to maintain the continuity of the halal production process according to the provisions of LPPOM MUI. In the warranty procedure, an SJH manual system is an SJH documentation with components such as document control, an introduction consisting of essential company information, application objectives, the scope of application, and the third component is the SJH component. SJH components, as described, are components that have the scope, including:¹⁹

¹⁶ Dwi Edi Wibowo and Benny Diah Madusari, "Pengaruh Labelisasi Halal Terhadap Keputusan Pembelian Oleh Konsumen Muslim Terhadap Produk Makanan Di Kota Pekalongan," *Indonesia Journal of Halal* 1, no. 1 (2018): 73, <https://doi.org/10.14710/halal.v1i1.3400>.

¹⁷ Eka Dewi and Setia Tarigan, "Pengaruh Gaya Hidup, Label Halal Dan Harga Terhadap Keputusan Pembelian Kosmetik Wardah Pada Mahasiswa Program Studi Manajemen Fakultas Ekonomi Universitas Medan Area Medan," *Jurnal Konsep Bisnis Dan Manajemen*, 2016.

¹⁸ Rafi Siregar and Azhar Alam, "Halal Label On Food Products By Mui (Indonesian Ulama Council) And Students Purchasing Decision Of Faculty Of Business And Economic Universitas Muhammadiyah Surakarta," *Journal of Islamic Economic Laws* 1, no. 1 (2018): 1–30, <https://doi.org/10.23917/jisel.v1i1.6163>.

¹⁹ Debbi Nukeriana, "Implementasi Sertifikasi Halal Pada Produk Pangan Di Kota Bengkulu," *Qiyas*, 2018.

- a) The halal policy is a statement about the company's commitment to producing halal products consistently. The scope includes consistency in the use and procurement of raw materials, additives and auxiliary materials, and the halal production process.
- b) The existence of a company guidelines in carrying out activities to ensure halal production. The guidelines include guidance on halal haram, the basis of the Quran "an and MUI fatwa, decisions on the identification of critical points of prohibition of materials and production processes, the results of identification, opportunities for identification of materials with unclean goods, as well as journals issued by LPPOM MUI.
- c) Halal management organization is an internal organization that manages all functions and activities of management in producing halal products. Halal management organization is led by an internal halal auditor coordinator who coordinates in maintaining halal products in charge of communication between the company and LPPOM MUI.²⁰

Institute for The Study of Food And Cosmetic Medicine – Indonesian Ulema Council (LPPOM MUI)

Institute for The Study of Food, Medicine and Cosmetics Majelis Ulama Indonesia (LPPOM MUI) is an institution formed by MUI to carry out the function of MUI to protect Muslim consumers in consuming food, beverages, medicines, and cosmetics.²¹ By MUI regulations, the validity period of the Halal Certificate is two years. During this time, the company must assure MUI and Muslim consumers that the company always maintains the consistency of halal products. Therefore, LPPOM MUI requires companies to develop a Halal Assurance System (SJH) system documented as SJH Manual. The manufacturer compiles this manual according to the conditions of his company. The purpose of the preparation and application of SJH in the company is to maintain the continuity of the halal production process so that the products produced can always be guaranteed halal under the provisions of LPPOM MUI.²²

Halal Product and Assurance Agency (BPJPH)

Halal Product and Assurance Agency (BPJPH) is an institution formed and given authority in implementing halal product guarantees in Indonesia. The purpose of halal product assurance providers is to formulate and establish halal product guarantees, establish norms, standards, procedures, and criteria for halal product guarantees and issue and revoke halal certification, and halal labels.²³ Law No. 33 of 2014, BPJPH has the authority:²⁴

1. Formulate and set BPJH policy.
2. Establish norms, standards, procedures, and criteria JPH.

²⁰ Nukeriana.

²¹ Lembaga Pengkajian Pangan Obat-Obatan dan Kosmetika MUI, "Panduan Umum Sistem Jaminan Halal LPPOM-MUI" (Jakarta, 2008).

²² Lembaga Pengkajian Pangan Obat-Obatan dan Kosmetika MUI.

²³ Badan Penyelenggara Jaminan Produk Halal (BPJPH) Kementerian Agama, "Sekilas Tentang BPJPH," 2019.

²⁴ Musyifikah Ilyas, "Sertifikasi Dan Labelisasi Produk Halal Perspektif Maslahat," *Jurnal Al-Qadau: Peradilan Dan Hukum Keluarga Islam*, 2018, <https://doi.org/10.24252/al-qadau.v4i2.5682>.

3. Issuing and revoking halal certificates and halal labels on Products.
4. Register a Halal Certificate on foreign products.
5. Conduct socialization, education, and publication of halal products.
6. Accrediting LPH.
7. Registering halal auditors.
8. Supervise JPH.
9. Fostering halal auditors.
10. Cooperating with domestic and foreign institutions in the field of JPH implementation.

The cooperation of BPJPH with MUI, as referred to in article 7, is carried out in certification auditor halal, halal determination products, and accreditation LPH.

Halal Certification

Halal certification is a process to obtain a halal Certificate through several stages to prove that materials, production process, and SJH meet LPPOM – MUI standards.²⁵ For consumers, the halal certification has functioned as: ²⁶

1. Protection of Muslim consumers from consuming food, medicines, and cosmetics that are not halal.
2. Psychologically the feelings of the consumer's heart and mind will be calm.
3. Defending body and soul from deterioration due to illicit products.
4. Halal certification will also provide certainty and legal protection to consumers,

The halal certification process is done utilizing an in-depth search to know for sure whether the ingredients used in the manufacture of a food product and its production process have been guaranteed halal or not. The result of halal certification is the issuance of a halal Certificate if it has been eligible, a namely halal statement on a product produced by a company based on the results of audits and fatwa studies. The existence of a halal Certificate is intended so that Muslim consumers are protected from non-halal products.²⁷

Halal Certificate

Halal Certificate is a fatwa MUI that states the halalness of a product according to Islamic shari'a, which is a requirement to include halal labels on product packaging to provide certainty of halal food products, medicines, and cosmetics, to reassure the inner who consume it. According to article 29, UU JPH halal certificate application submitted by businesses writing to BPJPH (Halal Product Assurance Agency). Halal Certificate application must be completed with documents:²⁸

1. Business data.
2. Product name and type.
3. List of products and ingredients used; Dan

²⁵ Lembaga Pengkajian Pangan Obat-Obatan dan Kosmetika MUI, "Panduan Umum Sistem Jaminan Halal LPPOM-MUI."

²⁶ KN Sofyan Hasan, "KEPASTIAN HUKUM SERTIFIKASI DAN LABELISASI HALAL PRODUK PANGAN," *Jurnal Dinamika Hukum*, 2014, <https://doi.org/10.20884/1.jdh.2014.14.2.292>.

²⁷ Ainul Yaqin, "Sejarah Sertifikasi Halal Di Indonesia," 2017.

²⁸ Lembaga Pengkajian Pangan Obat-Obatan dan Kosmetika MUI, "Panduan Umum Sistem Jaminan Halal LPPOM-MUI."

4. Product processing process.

Halal Certificate also has a crucial role for businesses, including:²⁹

1. As a responsibility of producers to Muslim consumers, considering the halal problem is part of the Islamic principle.
2. Increase consumer confidence and satisfaction.
3. Improving the image and competitiveness of the company.
4. A marketing tool to expand the area of network marketing.
5. Provide profit to producers by increasing the competitiveness and production turnover of sales.

Research Methods

The qualitative approach can be used to see a situation or an object in its context, find meaning, or a deep understanding of a problem faced, which appears in images, words, and events and in "*Natural Setting*".³⁰

This study took place in Banten following the problems expressed. This study targets cosmetics consumers, LPPOM - MUI, and the Ministry of Religious Affairs BPJH division of Banten Province. Secondary data is library data that includes legislation, literature books, scientific works, articles, and documents related to research materials. Primary data is obtained from interviews related to halal certificate management procedures in cosmetics. This interview was conducted to:

1. Drs. Ahmad Suja'i, M.M. (Head of Halal Product Assurance Operator of Banten Province)
2. Eva Wijayanti, S.Si, M.Si, (Head of MUI Research and Assessment of Banten Province).

Data analysis is data that has been collected and processed will be discussed using qualitative methods with deductive reasoning. After the data is collected, the data obtained from LPPOM - MUI and the Ministry of Religious Affairs bpJPH division and consumers of cosmetic users from the public become a unique data analysis material.³¹

RESULTS AND DISCUSSION

JPH Law was born as an effort by the government to protect consumers using and consuming halal products. Before the Halal Product Guarantee Law, the central role in certification was carried out by MUI through LPPOM (MUI Food, Medicine, and Cosmetics Assessment Institute). Certificates are done voluntarily. MUI also conducts surveillance of outstanding products. However, when there is an abuse of halal labels, MUI cannot provide sanctions for businesses and only reprimand and warn businesses. With BPJPH, it is expected that there will be protection and legal certainty that ensures the halalness of products circulating in Indonesia.³²

²⁹ Hasan, "KEPASTIAN HUKUM SERTIFIKASI DAN LABELISASI HALAL PRODUK PANGAN."

³⁰ Sugiyono, "Memahami Penelitian Kualitatif," *Bandung: Alfabeta*, 2016.

³¹ Eddy Nurhayati et al., "Analisis Jual Beli Akun Game Online Mobile Legends Dalam Perspektif Hukum Islam Dan," 2019.

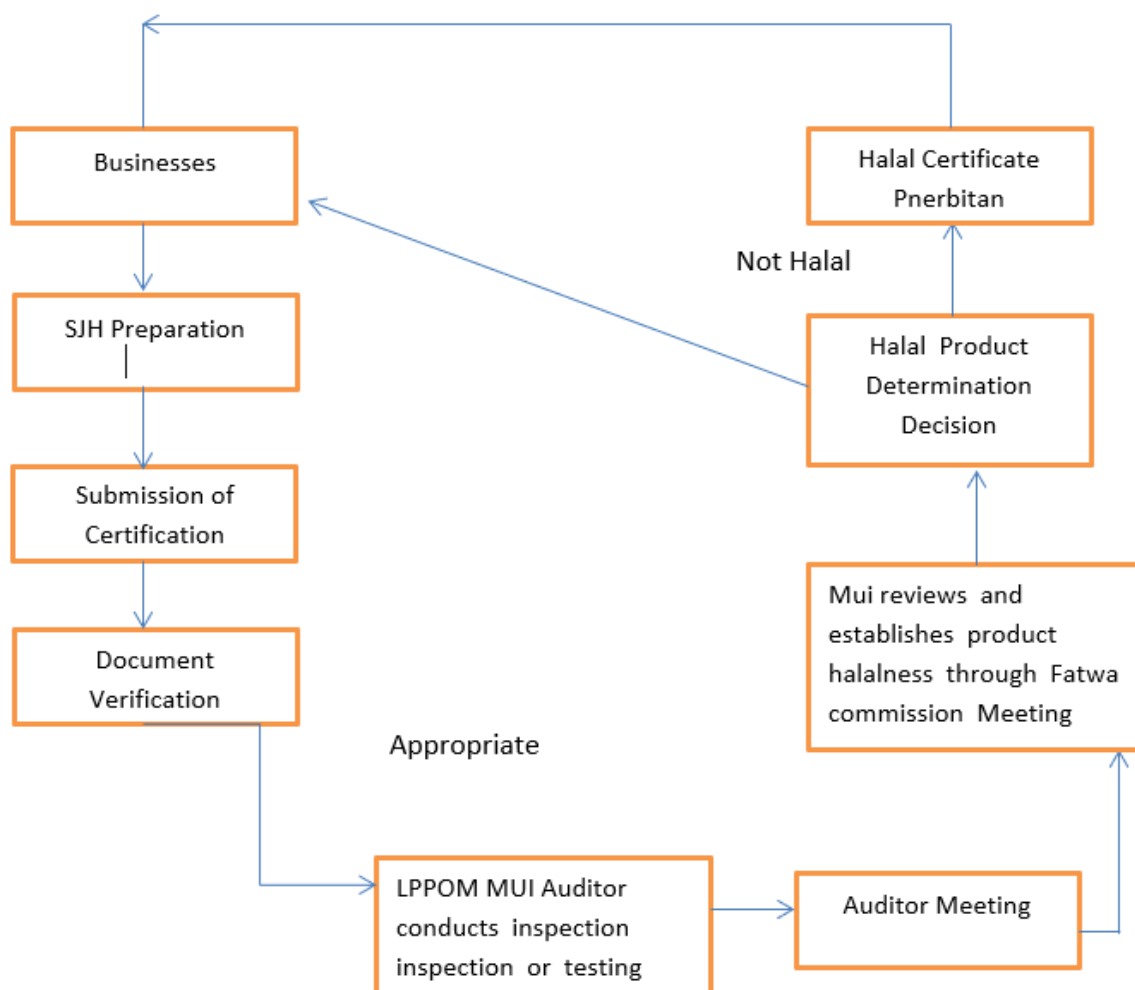
³² Iffah Karimah, "Perubahan Kewenangan Lembaga-Lembaga Yang Berwenang Dalam Proses Sertifikasi Halal," *Jurnal Syariah*, 2015.

Table 1 Differences in Certification before and After JPH law

Before the JPH Law	After the JPH Law
Certification is <i>voluntary</i>	Certification is <i>mandatory</i>
MUI is the foremost Institution authorized in the halal certification process	BPJPH is the leading Institution authorized in the halal certification process
LPPOM MUI as an auditing agency or non-governmental organization	LPH as an institution that conducts audits under the Ministry of Religious Affairs
The Certificate is valid for two years and does not yet have solid legal legitimacy	The Certificate is valid for four years. It has had a strong guarantee of legal certainty. There are both criminal sanctions and fines for businesses that do not maintain halal-certified products
Halal auditors can come from educational backgrounds that are not following the audit	Auditors must come from appropriate scientific backgrounds, namely biology, pharmacy, food, biochemistry, industrial and chemical techniques
Short certification flow : business actors to LPPOM MUI to MUI	Longer certification flow : business actors to BPJPH to LPH, BPJPH to MUI

Certification Mechanism

Figure 1 Halal Certification by MUI through LPPOM MUI Before BPJH Establishment



Source:³³

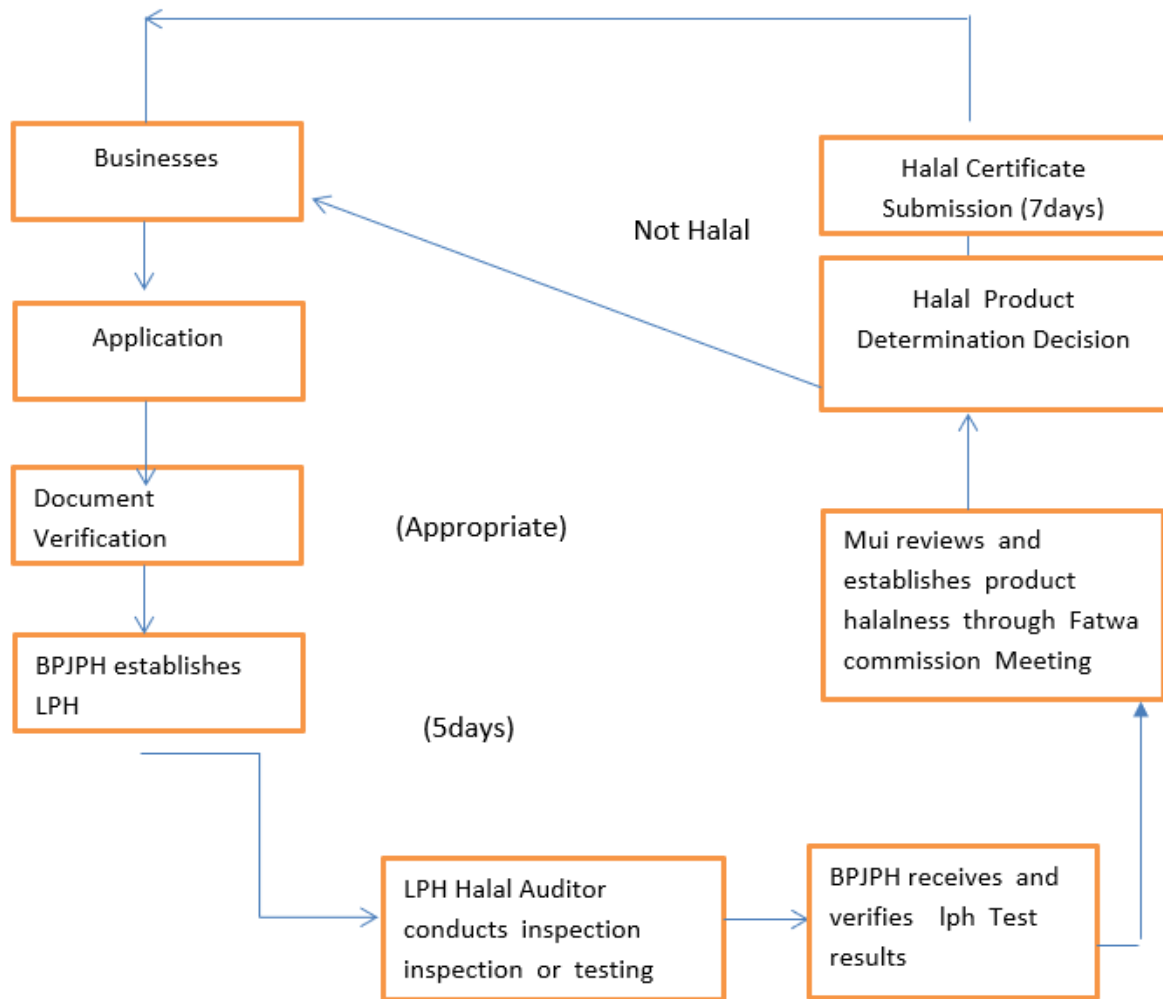
Description:

1. Businesses prepare all the completeness of documents.
2. Verification of documents by LPPOM MUI.
3. Conducting audits conducted by LPPOM MUI auditors.
4. MUI reviews and establishes product halalness.
5. Issuance of halal Certificate

After Formed BPJPH, Flow Certification Halal Little Experience Change From Difference Flow Certification halal at LPPOM MUI

³³ LPPOM MUI Provinsi Banten, "Sumber : LPPOM MUI Provinsi Banten," 2020.
124 el-Qist: Journal of Islamic Economics and Business (JIEB)

Figure 2 Halal Certification through LPPOM MUI After BPJH Establishment



Source:³⁴

Description:

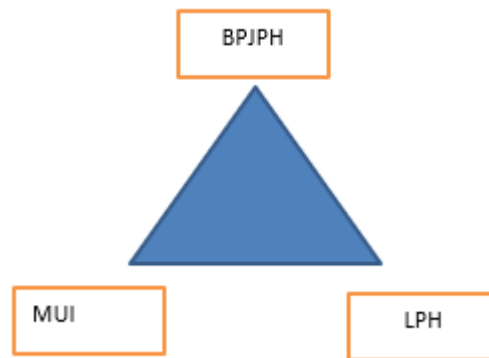
1. Businesses make applications for certification and attach requirement files.
2. BPJPH will verify the requirements documents that have been attached.
3. Auditing and inspecting products conducted by LPH.
4. Submit the results of the examination to MUI to be issued a fatwa.
5. Issue a halal certificate if it has passed the audit.³⁵

³⁴ LPPOM MUI Provinsi Banten.

³⁵ "Kementrian Agama, Dan LPPOM MUI Banten," 2020.

BPJPH's relationship with MUI and LPH.

Figure 3 BPJPH's relationship with LPH and MUI

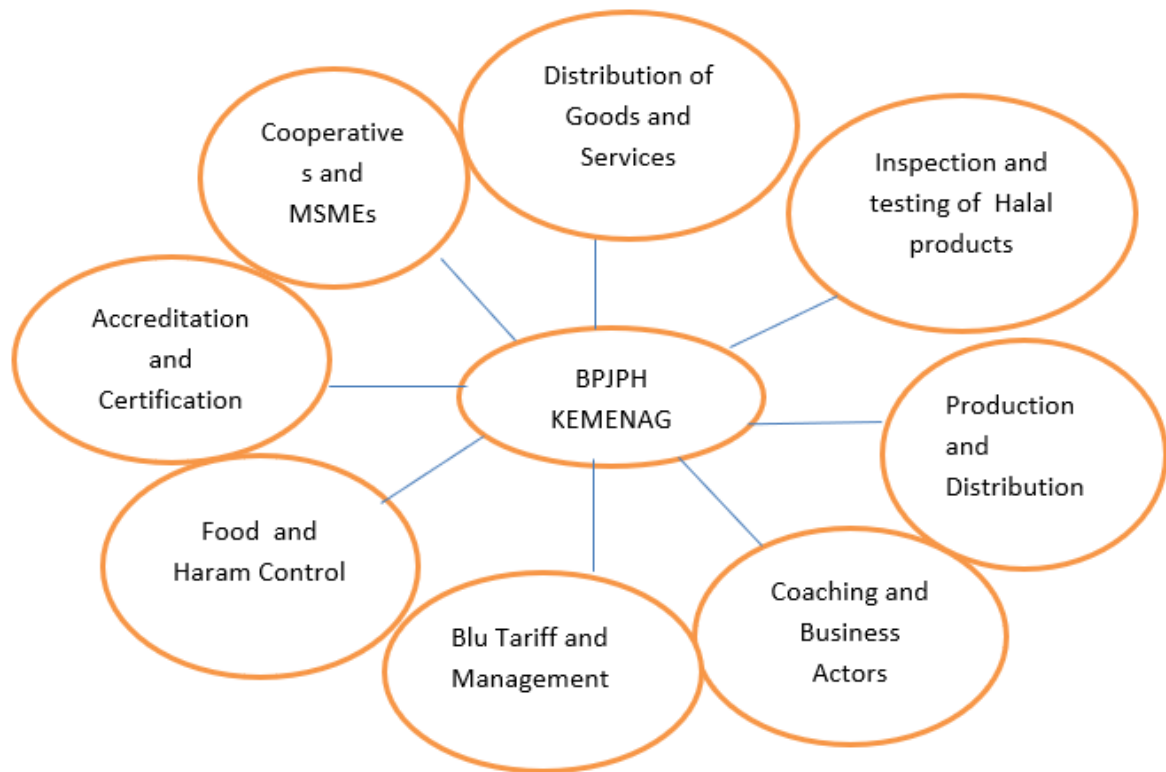


- a. Three institutions involved in the implementation of halal certificates:
 1. Halal Product Assurance Agency (BPJPH).
 2. Halal Inspection Institute (LPH), established by universities, foundations, / Islamic Associations.
 3. Indonesian Ulema Council.
- b. BPJPH cooperation with MUI:
 1. Halal Auditor Certification.
 2. Determination of Fatwa Halal Products.
 3. LPH Accreditation.
- c. Who established LPH (article 12) :
 1. The government and the public may establish LPH.
 2. LPH, as referred to in paragraph (1), has the same opportunity in assisting BPJPH in conducting inspections and testers of halal products.
- d. Terms of establishing LPH (Article 13) :
 1. Have your own office and equipment.
 2. Accredited by BPJPH.
 3. Have halal auditors at least 3 (three) people and
 4. Have laboratories or cooperation agreement with other institutions that have laboratories.
- e. Halal Auditor's Duty :
 1. Inspect and review the materials used.
 2. Check and review the product processing process.
 3. Examine and review the slaughter system.
 4. Research the product location.
 5. Research equipment, product space, and storage.
 6. Check the distribution and presentation of products.
 7. Checking the halal assurance system of businesses, and;
 8. Report the results of the examination or test to LPH.³⁶

³⁶ "Panduan Umum Badan Penyelenggara Jaminan Produk Halal (BPJPH) Kementerian Agama," 2019.

BPJPH Cooperation Relationship With Related Institutions.

Figure 4 BPJPH Cooperation with Related Institutions



Based on interviews with the implementation of halal product guarantee requires cooperation and coordination of the ministry and related institutions. Here is the cooperation:³⁷

1. BPJPH with the Ministry of Trade.
BPJPH's coordination relationship with the Ministry of Trade is the implementation of cooperation with the Directorate of SPK (Standardization of Consumer Protection), which has authority related to the Circulation of Goods and Services.
2. BPJPH with the Ministry of Health.
It is related to the determination of production and distribution with medicines, cosmetics, and medical devices.
3. BPJPH with BPOM.
Relation to the inspection and testing of goods products circulated in the community, both have been certified halal and not yet halal certified.
4. BPJPH with the Ministry of Industry.

³⁷ Drs. Ahmad Suja'i

Relation to the development of businesses about raw procurement, the production process must meet the standards and halal provisions of a product.

5. BPJPH with the Ministry of Finance.
Related to tariff determination and financial management of BPJPH as a Public Service Agency (BLU).
6. BPJPH with the Ministry of Agriculture.
Related to food and animal control. The purpose of food control is related to the use of chemical substances in food products containing non-halal elements.
7. BPJPH with the National Accreditation Committee (KAN) and the National Standardization Body (BSN).
Related to the standardization of halal products carried out in the preparation of accreditation standards against LPH.
8. BPJPH with the Ministry of Cooperatives and MSMEs.
Related to the development and development of MSMEs in the development and provide awareness to businesses about the importance of halal certification of a product and related facilities to cooperatives and MSMEs related to halal certification financing.

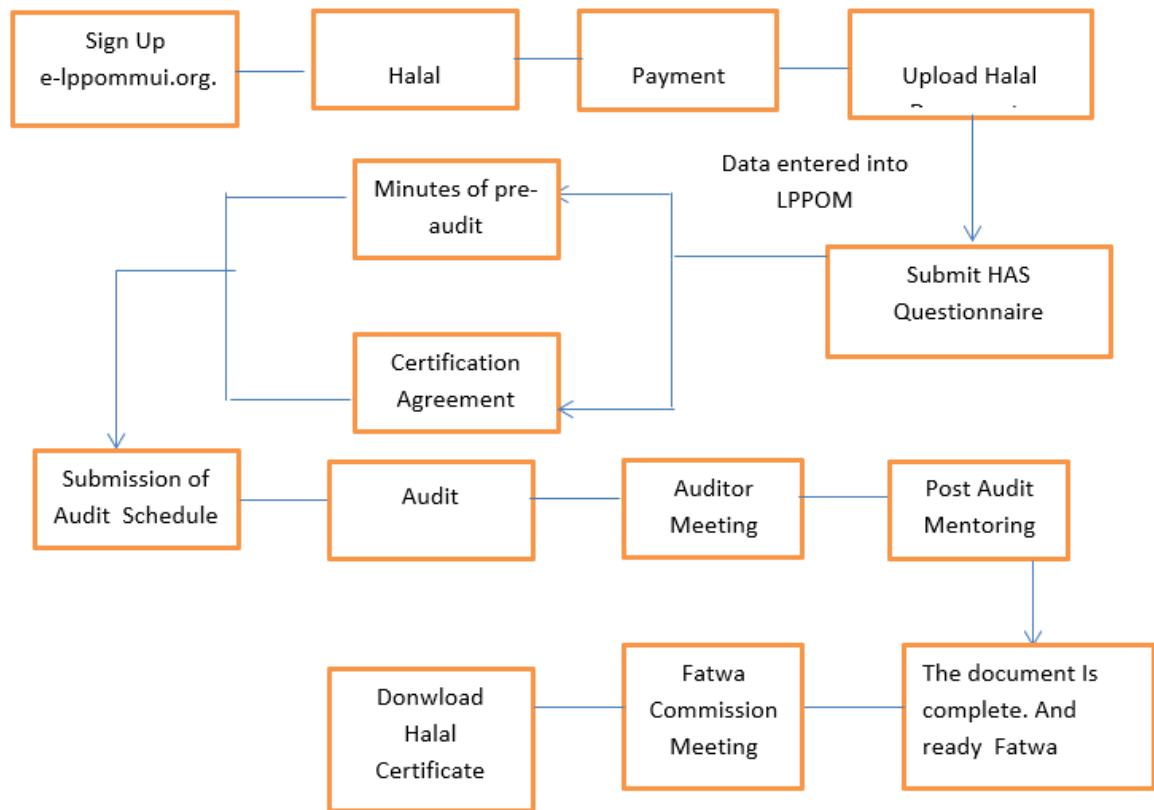
LPPOM – MUI and BPJPH procedures in the management of halal certificates in cosmetics in Banten province.

Before bpJPH, LPPOM MUI Banten province used *cerol system* (halal certificate service *online*) launched by MUI in May 2012.³⁸With this, the flow of *cerol system* service procedures are:³⁹

³⁸ Imas Eva Wijayanti, S.Si, M.Si, "LPPOM MUI Provinsi Banten," 2020.

³⁹ Sistem Pelayanan and Sertifikasi Halal, "Customer User Manual-Manufacturing S Elamat D Atang," 2015.

Figure 5 flow of cerol system service procedure



Description:

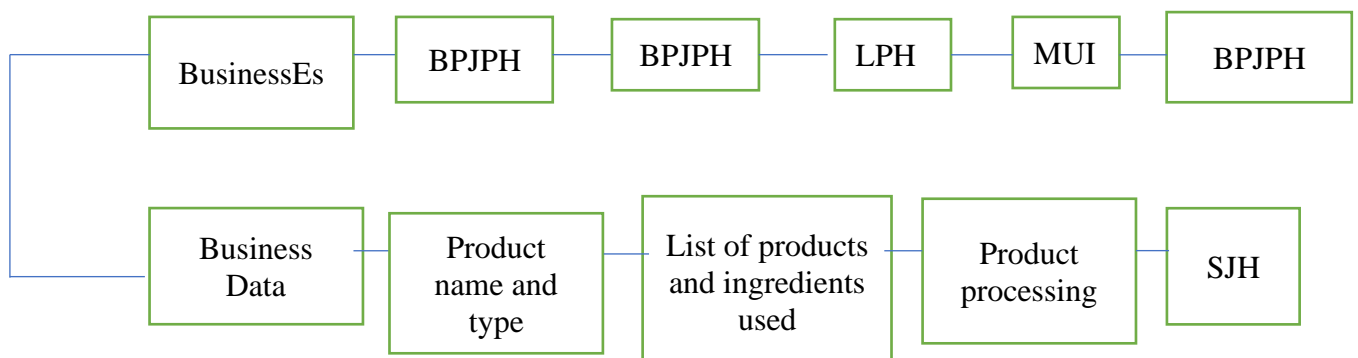
1. Preparation of Halal Assurance System by preparing halal data requirements.
2. Register through CEROL-SS2300. Costs include audit costs, halal certificates, SJH certificates, laboratory analysis, publications in Halal journal magazines.
3. Pre-Audit or document adequacy check.
4. Implementation of Audit.
5. Evaluation of audit results through the forum of Auditor Meeting and Laboratory Analysis if necessary. (Meeting of Auditors is a recommendation of audit decisions to be continued or not to the Fatwa Commission Meeting and the basis for determining the Implementation Status of SJH).
6. Fatwa Commission meeting, decide whether the product is halal or not. If it is still not halal or there are shortcomings, the auditing field sends back an audit memorandum to the company. After the Fatwa Commission decides the halal status, the company must submit a list of materials that have been signed by the company's leadership to be signed by the Director of LPPOM MUI.
7. Issuance of Halal Certificate.

Figure 6 Halal Certificate



With the issuance of rules on the JPH Law, LPPOM MUI, in collaboration with the Ministry of Religious Affairs in Halal Product Assurance Organizing Agency in the management of halal certification, only took effect last October 2019. The businesses must first register at the Office of the Ministry of Religion. As for the plot, are:

Figure 7 Halal certificate registration flow



Description:

1. Business actors as applicants register themselves by attaching several document requirements (consisting of business data, name and type of product, list of products and materials used, and product processing).
2. BPJPH will examine all the requirements that have been submitted.
3. BPJPH determines LPH to inspect products sold or produced.
4. LPH will conduct inspection or testing of products sold. Then the results are submitted to MUI to get a halal fatwa of a product. LPH is an institution that conducts inspection or testing of halal products.
5. From the results of the LPH examination, MUI carried out the determination of halal products through halal fatwa hearings.
6. BPJPH will then issue halal certificates and labels based on MUI fatwa results.⁴⁰

Based on Law No.33 of 2014, BPJPH KEMENAG will issue a halal certificate maximum of seven working days, starting from the decision of Halal Fatwa received by MUI. The seven-day period does not include determining LPH by BPJPH, which takes five working days and the Halal Fatwa session until the halal product decision is out no later than 30 working days. At the same time, Halal Certificate is valid for four years since the issuance of BPJPH. It must renew by applying for halal certificate renewal no later than three months before the validity period of the Halal Certificate expires. For administrative costs, BPJPH follows the rules of LPPOM MUI because the government has not authorized the administration of BPJPH. Here are the administrative costs by LPPOM MUI:⁴¹

Table 2 Cost of Halal Certification LPPOM MUI Banten

No.	Cost Components	Cost	Total Cost
1	Halal Certification Administration Fee		
	a. Large Companies	Rp. 4.500.000	Idr 6,000,000
	b. Medium Enterprises	Rp. 3.500.000	Idr 5,000,000
	c. Medium Company	Rp. 2.500.000	Rp. 4.000.000
	d. Household Industry Business (PIRT)	Rp. 1.000.000	Rp. 2.500.000
2	Administrative Costs Allocated To Others		

Guidelines Details :

1. The components of halal certification costs incurred by companies that utilize LPPOM MUI services are as follows:
 - 1) Audit Fee :

⁴⁰ Kementerian Agama Republik Indonesia., "Panduan Teknis Pengajuan Sertifikat Halal Provinsi Banten," 2019.

⁴¹ Kementerian Agama Republik Indonesia., "Persyaratan Pendaftaran/Perpanjangan Sertifikasi Halal, Kanwil KEMENAG Povinsi Banten," 2019.

- Accommodation costs are the transport costs of the auditor team for audit purposes on all trips.

- The audit fee is a fee paid by the company for honour auditors at the time of conducting an audit following the provisions of LPPOM MUI, which refers to the Terms of auditor fee (SK 12/Dir/LPPOM MUI/IV/14) and S.K. provisions of Honor Audit (SK13/Dir/LPPOM MUI/V/14). Some auditors 2 (two) people.

2) Cost of laboratory analysis

The cost of this laboratory analysis is paid by the company when the analysis is carried out, which is Rp. 250.000., - Rp. 1.400.000.,- per sample per analysis.

3) Halal Certification Administration Fee

The cost of halal certification is the cost that is disbursed by the company that the Institution will utilize to cover the cost posts, among others:

- Cost of office needs, telephone and electricity costs, salary/honoror costs, institutional development costs and hr development costs.⁴²

Banten province also has a halal certification facility program that gets assistance from various City and District Offices. This condition is explained by the halal certification facility program LPPOM MUI Banten Province data in 2019, and the main objectives are small and medium industries.

Table 3 Data of Halal Certification Facilitation Program

No	Institution Name	Dinkop and MSMEs	Disperindag	Kemenkop	Kementan	DKP
1	Banten Province	30	55	0	0	17
2	Serang City	0	0	0	0	0
3	Regency of Serang	50	0	0	0	0
4	Regency of Pandeglang	0	0	0	3	0
5	Regency of Lebak	0	40	0	2	0
6	Cilegon City	0	0	0	0	0
7	Tangerang City	0	100	0	0	0
8	Tangsel City	82	0	5	0	8
9	Regency of Tangerang	98	0	0	0	0
10	Amount	260	195	5	5	25

The Halal Certification Facilitation Program (PFSH) data results have differences in each district in getting assistance from various agencies and cities in Banten Province. Starting from DINKOP and MSMEs (Dinas Koperasi dan UMKM), 260 aids spread across nine cities and districts. DISPERINDAG (Department of Industry and Trade) has 195 assistance halal certification facilities spread across

⁴² LPPOM MUI Provinsi Banten, "Biaya Administrasi Sertifikasi Halal, 567/SK/Dir/LPOOM/MUI/Btn/XII/19," 2019.

three cities and districts. KEMENKOP (Ministry of Cooperatives) has five assistance KEMENTAN (Ministry of Agriculture) as many as five halal certification facilities spread in Pandenglang and Lebak districts, and DKP (Department of Marine Affairs and Fisheries) as many as 25 assistance facilitation of halal certification spread in the region of Banten province and Tangerang Regency. The main procedure to get assistance facilitation of halal certification is to register to the service that has provided halal certification facilities for free by submitting proposals. If already in Acc, the following procedure starts from BPJPH until the halal certificate issuance.⁴³

CONCLUSION

Halal Certificate in Indonesia is developing in line with the increasing awareness of halal in the community. To ensure halal products, especially for food, cosmetics, and medicines, the government issued a Halal Product Guarantee Law. Halal Certificate, originally part of MUI to LPPOM, then transferred to BPJPH under Indonesia's Ministry of Religious Affairs. Several changes also followed this transition in the flow of halal certificates and the parties involved. There needs to be synergy and cooperation between the government, businesses, and the public in supervising the circulation of products to realize the guarantee of halal products in Indonesia. The government needs to conduct socialization and assistance to assist businesses in registering cosmetic products. The government also needs to pay attention to the propositional tariffs and not burden micro-businesses in the halal certification process.

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