

## **THE URGENCY OF HALAL CERTIFICATION IN ISLAMIC ECONOMIC PRODUCT TRANSACTIONS: PERSPECTIVE OF NATIONAL REGULATION AND ISLAMIC LAW**

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### **ABSTRACT**

Safety, health, and product quality. This study aims to analyse the urgency of halal certification in sharia economic product transactions based on national regulations and Islamic legal perspectives. The method used is a normative study with a juridical and maqashid sharia approach. The findings indicate that halal certification is not only a moral obligation but also a legal-formal requirement regulated under Law No. 33 of 2014 on Halal Product Assurance. From a Sharia perspective, halal certification is part of the effort to safeguard the welfare of the community (maslahah) and protect against what is haram (dar' al-mafasid). In conclusion, halal certification plays a crucial role in ensuring public trust in the Islamic economic system and supporting the growth of the national halal industry.

Keywords: *Halal certification, Islamic economy, halal product assurance, Islamic law, national regulations.*

### **INTRODUCTION**

The development of Islamic economics in Indonesia has progressed rapidly in the last two decades. This is marked by the increasing awareness of the Muslim community of the importance of implementing sharia principles in various aspects of life, including in the consumption sector and economic transactions. In line with that, the emergence of various sharia-based products and services is an indicator that the Islamic economy has developed into a significant part of the national economic system. In this context, the existence of halal certification is very important because it is the main instrument to ensure that a product or service is truly in accordance with Islamic teachings. (Agustin et al., 2025)

Indonesia as a country with the largest Muslim population in the world has great potential in developing the halal industry. This potential is not only limited to the food and beverage sector, but also extends to pharmaceuticals, cosmetics, halal tourism, Muslim fashion, and Islamic financial services. To support this halal ecosystem, the presence of a trusted and credible halal product assurance system is needed. Therefore, halal certification is not only a moral obligation, but also part

of the legal and economic system that supports the sustainability of the halal industry in Indonesia. (Farhan, 2018)

Regulatively, the Indonesian government has passed Law Number 33 of 2014 concerning Halal Product Guarantee (JPH Law) which requires all products that enter, circulate, and are traded in Indonesian territory to have a halal certificate. This policy is a concrete step by the government in providing protection to consumers, especially Muslims, against the possibility of consuming products that are not in accordance with their religious beliefs. This regulation is also proof that the state is present in guaranteeing the religious rights of its citizens.

However, in practice, the implementation of halal certification in the field still faces various challenges. Among these are the limited number of halal auditors, the uneven understanding of business actors of the importance of halal certification, as well as cost and procedural constraints that are considered complicated by some MSME players. On the other hand, there are still many products on the market that do not have a halal label, even though the ingredients and processes meet the standards. This is a big homework for the Halal Product Guarantee Agency (BPJPH) and the Halal Examining Agency (LPH) in accelerating the certification process and increasing halal literacy among the public and business actors.

From the perspective of Islamic law, guaranteeing the halalness of a product is not just an administrative formality, but a shar'i obligation related to the basic principles of Muslim life. Islam explicitly orders its people to consume food and use halal and thayyib (good) goods, as stated in QS. Al-Baqarah verse 168: "O people, eat what is lawful and good from what is found on earth, and do not follow the steps of the devil." This verse is a theological basis that the halalness of a product not only has an impact on the physical, but also the spiritual and moral of a person. (Fariana, 2017)

Furthermore, within the framework of maqashid sharia, the existence of halal certification is a form of implementation of the protection of religion (hifz al-din), soul (hifz al-nafs), and intellect (hifz al-'aql). By consuming halal and thayyib products, Muslims maintain their religious integrity and stay away from the syubhat (doubtful) and haram. Halal certification also provides certainty that the product has gone through a process of assessment, audit, and fatwa from competent institutions, leaving no doubt for Muslim consumers.

In the level of Islamic economic practice, transactions carried out must fulfil halal principles, both in terms of transaction objects, processes, and results. Therefore, the presence of a halal label on the product is one of the important indicators that determine whether a transaction is valid or not according to sharia. Products without halal certificates raise doubts and can undermine consumer confidence in the Islamic economic system as a whole.



The urgency of halal certification is also getting higher along with the increasing globalisation of products. Imported products, especially from non-Muslim countries, often enter the Indonesian market without clarity regarding their halalness. This is where the role of the state becomes important in regulating, supervising and controlling the entry of foreign products through the mechanism of halal certification and labelling. In addition, with an internationally recognised halal certificate, Indonesian products can also be more competitive in the global market, especially in countries that have a large number of Muslim consumers such as Malaysia, the Middle East, and the North Africa region. (Farhan, 2018)

Thus, halal certification not only serves as a religious guarantee, but also has a broad impact on social, economic, legal, and trade aspects. It is a symbol of trust and an effective promotional tool in expanding the market share of halal products. In the midst of global competition and halal lifestyle trends, Indonesia needs to continue to strengthen the halal certification system in an integrative manner with a regulative, educative and collaborative approach.

Based on this background, this article will discuss the urgency of halal certification in Islamic economic product transactions from the perspective of national regulations and Islamic law. This study is expected to contribute ideas in strengthening the normative and strategic framework for the development of the halal industry in Indonesia. (Agustin et al., 2025)

## METHODS

This research uses normative qualitative methods, with juridical and shar'i approaches. The juridical approach is used to examine laws and regulations related to halal product guarantees, especially Law Number 33 of 2014 concerning Halal Product Guarantee, as well as other relevant derivative regulations. On the other hand, the shar'i approach aims to understand the concept of halalness and its urgency based on Islamic legal sources such as the Qur'an, Hadith, ijma', and qiyas, as well as contemporary fiqh literature on muamalah law. This research is descriptive-analytical, by analysing secondary data from legal documents, MUI fatwas, scientific journals, and publications from official institutions such as BPJPH and LPPOM MUI. (Salam & Makhtum, 2022)

Data collection techniques were conducted through library research by analysing primary and secondary legal materials directly related to the research topic. The data was analysed qualitatively by grouping information according to themes, comparing regulatory and sharia perspectives, and drawing conclusions based on normative arguments. This research does not use field data, but relies entirely on legal reasoning and scientific argumentation to provide a



comprehensive understanding of the strategic position of halal certification in the Islamic economic system in Indonesia. (Arifin, 2023)

## RESULTS AND DISCUSSION

### 1. Normative Basis for Halal Certification

Halal certification in Indonesia has a strong legal basis through Law Number 33 of 2014 concerning Halal Product Guarantee (JPH Law). This law explicitly states that every product that enters, circulates, and is traded in the territory of Indonesia must have a halal certificate. This provision does not only apply to food and beverage products, but also includes cosmetic products, pharmaceuticals, used goods, and even services that are directly related to consumers. This shows the government's seriousness in protecting Muslim consumers and building a holistic and comprehensive halal ecosystem in all sectors of the economy. (Masri & Andrini, 2024)

The main objective of the JPH Law is to provide legal certainty to the public regarding the halal status of the products they consume. In addition, this regulation aims to protect consumers from potential halal product fraud and increase the competitiveness of domestic products in national and global markets. With the guarantee of halal products, consumers get the right to know and choose products that are in accordance with their religious beliefs, while business actors have a clear legal reference in marketing their products.

As an implementation of this regulation, the government formed the Halal Product Guarantee Organisation Agency (BPJPH) under the auspices of the Ministry of Religious Affairs. BPJPH is the central actor in the halal certification process, in charge of regulating registration, testing, and issuing halal certificates. The existence of BPJPH is a form of direct state involvement in the national halal system which was previously handled more by non-governmental institutions, such as LPPOM MUI (SIDABUTAR, 2023).

However, BPJPH does not work alone. The halal certification process involves synergy with two other important institutions, namely the Halal Examining Agency (LPH) and the Indonesian Ulema Council (MUI). LPH is an independent institution in charge of conducting examinations and audits of raw materials, production processes, tools, and processing places. After the audit results are declared feasible, MUI provides a halal fatwa as the basis for issuing a halal certificate by BPJPH. The collaboration of these three institutions is a credible mechanism in ensuring the halalness of products in Indonesia. (Rahmat et al., 2024)

To strengthen the implementation of the JPH Law, the government has also issued a number of implementing regulations, such as Government Regulation Number 31 of 2019 and Government Regulation Number 39 of 2021 concerning the Implementation of the Halal Product Guarantee Field. In addition, there are a



number of Minister of Religious Affairs Decrees (KMA) that provide technical guidance for implementation, ranging from certification guidelines, registration procedures, to halal assessment standards. With this complete and layered legal framework, the halal product guarantee system in Indonesia is expected to run systematically, measurably, and transparently.

Halal certification issued by BPJPH also has strategic implications in the context of global competitiveness. In the midst of increasing demand for halal products internationally, Indonesia has a great opportunity to become a major producer in the world halal market. Internationally recognised halal certificates provide quality assurance and trust from global consumers, especially in Muslim-populated countries such as Malaysia, the Middle East, Pakistan and North Africa. Therefore, halal certification can also be seen as an instrument of economic diplomacy.

In addition to having an impact on the export sector, the national halal certification system also supports the development of local industries, especially MSMEs, to be able to enter the modern market. Many large retailers require that products sold must have a halal certificate. Thus, halal certification is also a tool for community economic empowerment that can increase product selling value and expand distribution networks.

However, the implementation of the JPH Law also faces challenges, especially in terms of infrastructure readiness, availability of halal auditors, and business actors' understanding of certification procedures. Many MSME players still feel burdened by the cost and certification process which is considered complex. Therefore, the government needs to encourage the acceleration of the certification process by providing training, incentives, and simplifying procedures for small businesses.

Overall, regulations regarding halal certification show the government's commitment to building strong national halal governance. Apart from providing legal protection to consumers, this regulation also encourages the growth of a sustainable and highly competitive halal industry. With the synergy between institutions, support for affirmative policies, and active participation of the community, Indonesia has the potential to become the largest halal production and certification centre in the world in the near future.

## **2. Sharia Principles in Halal Certification**

In Islamic jurisprudence, the concept of halal is not just limited to what can be eaten or used, but is a basic principle that reflects the sanctity, blessing, and responsibility of a Muslim in living life. The halalness of a product is a fundamental aspect that determines the validity of consumption and transactions according to



Sharia. In the Qur'an, the command to consume halal and good (halalan thayyiban) is very clear, as stated in QS. Al-Baqarah verse 168 and QS. Al-Ma'idah verse 88. These verses provide a normative basis that consumption must come from something that is not only legally halal, but also of good quality and benefit (Septiani & Thamrin, 2021).

The halalness of the product is not only determined by the substance or ingredients, but also by the process that accompanies it. In Islam, the process of obtaining, producing, storing, processing, and distributing products must also fulfil halal rules. For example, meat products that are basically halal can become haram if the slaughtering process is not in accordance with Sharia law or mixed with unclean materials in processing. Therefore, the principle of halalness is comprehensive and requires strict supervision, which can be fulfilled through the halal certification mechanism.

One of the important principles in Islamic law relating to halalness is saddu al-dzari'ah, which is the principle of closing all loopholes leading to things that are forbidden. This principle is used to prevent the emergence of doubt (syubhat) or confusion in identifying halal and haram. In the modern context, when the production chain is increasingly complex and products involve many mixed ingredients from various countries, halal certification becomes an important tool to implement this principle. The certification ensures that the entire production and distribution process has been checked by sharia authorities and is free from doubtful elements. (Zulfikar & Sari, 2024)

In addition to saddu al-dzari'ah, the principle of clarity (gharar) in muamalah fiqh is also very important. Islam prohibits the practice of gharar or uncertainty in transactions because it can lead to fraud and harm one party. Many products on the market today do not have a clear halal label, so Muslim consumers are trapped in ignorance of the halal status of an item. Therefore, halal certification is present to eliminate the element of gharar in the consumption and economic transactions of the ummah.

In industrial practice, there are many products that use animal-derived ingredients, alcohol, or chemical compounds that sharia raises doubts. Without a monitoring mechanism such as a halal audit, it is difficult for the public to know the content of these products. Therefore, halal certification is an important instrument to ensure transparency and accountability in the supply chain, so that consumers can shop safely, in accordance with their religious values.

Muslim clerics and scholars agree that the responsibility for ensuring the halalness of products lies not only with religious authorities, but also with businesses. Islam emphasises the importance of intention and ethics in every economic activity. Producers who consciously apply for halal certification show





that they uphold the principles of honesty (shiddiq), responsibility (amanah), and social piety in running their business. In this case, halal certification is not only a legal obligation, but also a form of spiritual commitment. (Supandi et al., 2025)

Business ethics in Islam views that profits should not be achieved by ignoring moral and religious values. Therefore, producers who ignore the halal aspect of their products, even deliberately hiding haram elements, are considered to have violated Islamic law and social morality. Conversely, by carrying out the halal certification process correctly, business actors help maintain the dignity of Islam in the economic realm and get blessings in their business.

The sharia principles that form the rationale for halal certification strengthen the legal and ethical position of this system. Halal certification is not just a symbol or administrative formality, but part of a protection system for the ummah to avoid products that can harm their spiritual and physical aspects. It is also a form of collective responsibility in maintaining the purity of muamalah and building a social order based on justice, truth and blessings. (Afrina et al., 2024)

Thus, it can be concluded that halal certification is a real representation of the application of sharia principles in modern life. It is a bridge between normative Islamic teachings and complex and dynamic economic practices. Through halal certification, Muslims are not only protected from the haram, but also given the opportunity to strengthen religious identity in their daily economic activities, while strengthening the ethical and dignified economy of the ummah. (Rahmi et al., 2024)

### **3. The Urgency of Certification in Islamic Economic Transactions**

Transactions in the Islamic economic system are not solely aimed at obtaining financial benefits, but must also reflect the values of justice, honesty and blessings. In Islam, economic transactions are considered valid if they fulfil halal principles in terms of objects, processes, and purposes. Therefore, the existence of halal certification is very important to ensure that every transaction is not only legal in state law, but also legal in sharia. Without clarity of halal status, transactions can contain elements of uncertainty (gharar), which is prohibited in Islam because it harms one party and opens a gap for injustice. (Ermawati, 2023)

Halal certification is present as a validation instrument for claims of halalness of a product or service. With a halal certificate issued by an official institution, business actors cannot carelessly use the halal label as a marketing strategy without going through the audit and fatwa process. This is very important in avoiding fraudulent practices or misleading information that can harm Muslim consumers. Moreover, halal certification strengthens the legitimacy of Islamic transactions in the modern economic system (Ma'ruf & Fachruddin, 2023).

For Islamic businesses, halal certification is a symbol of business integrity. Halal certification demonstrates their commitment to Islamic values and sincerity in providing



products that are fit for consumption for Muslims. It also creates added value commercially because consumers trust products that have gone through the certification process more than products that only claim halalness unilaterally. Consumer trust is an important asset in maintaining business sustainability, especially in an increasingly competitive market. At the global level, the trend of halal lifestyle is growing. Muslim consumers in various countries are now more selective and critical of the products they consume. The halal label is no longer just a religious necessity, but has become a modern lifestyle identity. In this context, halal certification is not only a consumer protection tool, but also an effective branding strategy. Products with halal labels have a great opportunity to be accepted in domestic and international markets, especially in countries with significant Muslim populations (Wahab & Ihsan, 2024).

Halal certification also plays an important role in encouraging Islamic financial inclusion and economic growth. A credible certification system will increase investor confidence and encourage small and medium enterprises (MSMEs) to join the halal industry ecosystem. Thus, MSME players have a greater opportunity to penetrate the export market, especially to countries that require imported products to have a recognised halal certificate, such as Malaysia, Brunei Darussalam, the United Arab Emirates, and several Middle Eastern countries. (Zham-Zham & Mataheru, 2020)

Within the scope of domestic trade, halal certification acts as a legal shield. Products in circulation without halal certification run the risk of being unilaterally claimed by the manufacturer as halal even though they have not been thoroughly checked. This can mislead consumers and create distrust of the Islamic economic system. If this kind of practice is not controlled, in the long run it can damage the reputation of Indonesian halal products and reduce public trust in certification bodies and the government.

In addition, halal certification is a form of product quality supervision and control. Every production process, from raw materials to distribution, must meet sharia and health standards. Thus, products that are certified are not only guaranteed sharia halal, but also meet generally accepted standards of hygiene, safety and quality. This strengthens the perception that halal products are synonymous with healthy and quality products. (Bayhaki, 2024)

The urgency of halal certification also lies in its contribution to building an ethical, inclusive and sustainable Islamic economic ecosystem. Halal certification is the main foundation in ensuring that all transactions and economic activities run in accordance with Islamic principles. Without reliable and comprehensive certification, Islamic transactions risk losing their credibility and open opportunities for violations of the principles of fairness and transparency in muamalah. (Setiawan & Mustajab, 2022)

By considering these various aspects, it can be concluded that the existence of halal certification in Islamic economic transactions is not only a normative need, but also a strategic and practical need. Halal certification is not just labelling, but is a representation of commitment to Islamic principles, consumer protection, and efforts to build an ethical economy. Therefore, strengthening the halal certification system is an integral part of developing an inclusive and sustainable Islamic economy. (Hafizd et al., 2024)





## CONCLUSION

Halal certification has a very strategic role in supporting the Islamic economic system in Indonesia. In terms of national law, the existence of Law Number 33 of 2014 concerning Halal Product Guarantee is a normative basis that requires all products in circulation to have halal certification. This provision not only provides protection to Muslim consumers, but also encourages business actors to apply ethical standards and transparency in every production process. Halal certification is both a legal and religious instrument to ensure that products consumed by the public are in accordance with sharia principles and state regulations.

From the perspective of Islamic law, halal certification is an implementation of the principles of fiqh muamalah such as halalness, avoidance of gharar, saddu al-dzari'ah, and moral responsibility of producers. It not only ensures the sanctity of the product substance, but also the process, thus ensuring blessings in economic transactions. In the midst of the development of the global halal industry, the halal certification system is an important pillar in building consumer confidence, expanding the export market, and strengthening the competitiveness of domestic products. Therefore, strengthening regulations, increasing the capacity of certification bodies, and halal literacy in the community are crucial steps in realising a fair, inclusive and sustainable Islamic economic ecosystem.

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