

## NAVIGATING HALAL CERTIFICATION STANDARDS: A COMPARATIVE ANALYSIS OF THE FOOD INDUSTRY IN INDONESIA AND MALAYSIA

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### ABSTRACT

*Halal certification has become increasingly important for Muslim consumers, who seek assurance that their products comply with Islamic laws. This research conducts a comparative analysis of the halal certification standards in the food industry between Indonesia and Malaysia. This study identifies similarities and differences in implementing and enforcing halal certification standards in these two countries, emphasizing the regulatory frameworks and certification processes businesses must navigate. The methodology in this research uses secondary data through literature and online digital study via the official websites of the Malaysia and Indonesia halal institutes and other websites related to halal standards, which includes several important steps that ensure the validity and reliability of research results such as identification of research topics and statements; literature search; secondary data collection; literature analysis; writing and reporting; validation and verification; conclusions and recommendations. By exploring the experiences of the food industry in Indonesia and Malaysia, this research contributes to a better understanding of the complexities surrounding halal certification and provides insights for businesses operating in these markets. The findings of this study will be valuable for policymakers as it allows for actionable insights into refining halal certification policies, focusing on harmonizing standards between Indonesia and Malaysia and addressing potential trade barriers. By enhancing the regulatory framework, policymakers can help boost trade, attract foreign investment, and support halal industry growth in both*

*countries, creating a more integrated and competitive halal market. For industry stakeholders, the study outlines practical recommendations that businesses can adopt, such as implementing best practices in halal assurance systems, improving product traceability, and exploring opportunities in new markets. Enhanced halal certification can unlock significant market potential, allowing businesses to reach new consumer segments, increase market share, and strengthen brand reputation through improved transparency and compliance with halal standards.*

**Keywords:** *Halal Certification, Halal Standard, Food Industry*

## 1. INTRODUCTION

Halal certification standards present challenges for food businesses in Indonesia and Malaysia. Due to the growing Muslim population, demand for halal products is increasing. Total trade in Indonesian halal products in January-October 2023 reached USD 53.43 billion. Of this amount, Indonesia's halal product exports were recorded at USD 42.33 billion and imports at USD 11.10 billion (KNEKS, 2023). Similarly, Malaysia boasts a Muslim population exceeding 20 million, accounting for roughly 63% of the country. However, reports from the Global Islamic Economy Indicator (GIEI) show that Malaysia maintained the top position in the Global Islamic Economic Indicator (GIEI) for ten consecutive years, followed by Saudi Arabia and Indonesia (KNEKS, 2023). Due to significant Muslim populations, Indonesia and Malaysia have developed robust halal certification systems to cater to domestic and international markets (Azam & Abdullah, 2021). Therefore, food businesses must navigate halal certification in the global market.

Ramsamy and Imran Khan highlight the rising demand for halal products and the challenges of discrepancies in national certification standards (Khan & Haleem, 2016; Ramasamy et al., 2011). This is particularly evident in comparisons of Indonesia (BPJPH) and Malaysia (JAKIM), which identify differences in permissible ingredients, labelling, and auditing procedures (Allen et al., 2014). This lack of uniformity creates logistical hurdles and potential delays for businesses operating across borders (Yustianingsih et al., 2024). These findings suggest further research to explore avenues for harmonizing halal certification standards and promoting a more efficient global halal food ecosystem (Azam & Abdullah, 2020; Randeree, 2019).

While existing studies highlight discrepancies, they lack practical solutions for navigating halal certification in Indonesia and Malaysia. (Tohe et al., 2021). This in-depth analysis should delve into the specific complexities within each system. For example, a study could compare the list of permissible additives and source verification requirements for critical ingredients like enzymes and emulsifiers. In Indonesia, permissible additives like enzymes and emulsifiers, such as  $\alpha$ -amylase from *Aspergillus niger* and E471 (mono- and diglycerides of fatty acids), may be allowed from both plant and animal sources, with general verification of halal status. However, Malaysia tends to enforce stricter regulations, requiring enzymes to come from halal-certified sources or meet specific halal standards if animal-based, and mandates detailed source verification for emulsifiers, confirming plant origins or animal-derived halal compliance. For source verification, Indonesia typically requires halal certificates, ingredient specifications, and traceability, while Malaysia may implement more rigorous measures, including on-site audits, laboratory testing, and comprehensive traceability across the supply chain. Additionally, examination of labelling specifications, including font size, wording, and placement variations between BPJPH and JAKIM, could be highly beneficial for businesses.

By delving into these specifically, researchers can provide practical guidance for businesses operating across both countries, minimizing compliance risks and streamlining the halal certification process. This knowledge would ultimately contribute to a more efficient regional halal food ecosystem and empower businesses to capitalize on the growing global demand for halal products.

While the importance of halal certification is well-established, a critical gap exists in understanding the practical challenges faced by food businesses operating across Indonesia (BPJPH) and Malaysia (JAKIM) systems. The other study focuses on broad discrepancies, neglecting the complexities within each system. This analysis is crucial because these intricacies, like variations in permissible additives, sourcing requirements, and labelling specifications, can significantly impact businesses. This study offers practical solutions by bridging this knowledge gap, minimizing compliance risks, and streamlining the halal certification process. The study aims to analyze the process of halal certifications and regulation in both countries. This helps businesses navigate BPJPH and JAKIM more effectively, promoting a more efficient regional halal food ecosystem and capitalizing on global demand. The study emphasizes that while Indonesia and Malaysia have significant Muslim populations, their halal certification approaches differ. Indonesia, for instance, has recently made halal certification mandatory for all food and beverage products by October 2024, while Malaysia has a more comprehensive system with multiple schemes

(Latiff et al., 2022).

This comparative analysis examines the distinctive frameworks of halal certification in Indonesia through BPJPH and Malaysia through JAKIM, reflecting their respective cultural, legal, and administrative contexts. However, these differences create practical challenges for businesses operating in both markets, as they must navigate diverse ingredient regulations, certification procedures, and labelling requirements. Indonesia's shift to BPJPH in 2019 marked a transition towards centralized governance and secular oversight, prioritizing accessibility and transparency in certification processes. In contrast, Malaysia's JAKIM remains deeply embedded in Islamic governance, where religious scholars oversee certification procedures to ensure compliance with Shariah principles and maintain religious legitimacy. Both countries are committed to stringent halal standards but differ significantly in their regulatory approaches, influencing procedural transparency, stakeholder engagement, and global recognition. Research gaps include the need for comparative studies to evaluate the effectiveness and reliability of certification procedures following recent regulatory changes. Additionally, exploring the integration of technology in enhancing certification processes and addressing challenges related to meeting stringent halal standards are crucial for bolstering global market access and consumer confidence in both nations' halal food industries.

## **2. LITERATURE REVIEW**

### **2.1 *Halal Certification***

The halal certification process has garnered significant attention recently due to the expanding global Muslim population and the growing demand for halal products. Research indicates that halal certification involves rigorous standards and procedures to ensure products comply with Islamic dietary laws, encompassing ingredients sourcing and production methods (Asa & Azmi, 2018). Comparative studies between countries like Indonesia and Malaysia highlight variations in regulatory frameworks and certification bodies, impacting halal certifications' efficiency and international acceptance (Khan & Haleem, 2016). With its well-established JAKIM certification, Malaysia sets a benchmark in halal compliance, while Indonesia's recent mandatory halal law seeks to improve processes and enhance market competitiveness (Masruroh, 2020). Additionally, halal certifying authorities' perceived credibility and transparency significantly influence consumer trust and preferences. The evolving landscape of halal certification underscores the necessity for harmonized standards to facilitate cross-border trade and meet the burgeoning global demand for halal products (Ibrahim Danjuma, 2021).

Building on the foundational understanding of halal certification, recent literature delves deeper into specific challenges and advancements in the field. One prominent issue is the inconsistency in halal standards across different countries, which complicates international trade and hinders market expansion (White & Samuel, 2016). Efforts towards standard harmonization, such as initiatives by the International Halal Integrity Alliance (IHIA), aim to create a unified global framework, but achieving consensus remains a significant hurdle. In Indonesia, implementing the Halal Product Assurance Law (Law No. 33/2014) marks a critical shift towards mandatory halal certification for all consumables, reflecting the government's commitment to enhance consumer protection and align with global market demands (Hermawan, 2020). Conversely, Malaysia's JAKIM continues to lead with robust certification processes but faces challenges in maintaining credibility amidst rising competition and evolving consumer expectations (Ibrahim et al., 2012). Technological advancements, such as blockchain for traceability and digital certification systems, are transforming the halal certification process by improving transparency and efficiency. These tools enhance consumer confidence, simplify compliance for producers and manufacturers, streamline supply chains, and foster trust among stakeholders, facilitating international trade of halal products.

Further examination of recent studies reveals that the divergence in halal certification standards affects international trade and influences consumer trust and industry practices. In particular, the comparative analysis of Indonesia and Malaysia highlights how regulatory frameworks and institutional strengths shape the efficacy of halal certification (Bashir & Khalid, 2022). In Indonesia, the BPJPH (Badan Penyelenggara Jaminan Produk Halal) has been instrumental in enforcing the mandatory halal law, which aims to certify a wide range of products beyond just food, including pharmaceuticals and cosmetics (Noordin et al., 2014). This expansion poses logistical challenges and demands substantial infrastructural support to ensure timely and accurate certification (Sariyah et al., 2023).

Malaysia's JAKIM is frequently cited for its rigorous certification protocols and international recognition, which provide Malaysian products with a competitive edge in the global halal market. Nonetheless, JAKIM faces increasing pressure to innovate and adapt to technological advancements, such as integrating blockchain technology for better traceability and security in the certification process (Yustianingsih et al., 2024). Both countries are also focusing on enhancing the role of halal certification in fostering economic growth. For example, establishing halal industrial parks and clusters in both nations illustrates a strategic move to concentrate on halal-certified businesses, thereby creating a supportive ecosystem that encourages compliance and

innovation (Islam et al., 2023; Prayuda et al., 2023).

Moreover, consumer studies indicate a growing awareness and preference for halal-certified products among Muslim consumers and non-Muslims who perceive halal products as being of higher quality and safety standards (Hashim & Othman, 2019). This shift prompts companies to seek halal certification as a quality assurance mark, broadening the market base for halal products.

## **2.2 Regulatory of Halal Certification**

Halal certification regulations have evolved significantly to address the growing demand for halal products and ensure compliance with Islamic dietary laws. Recent literature underscores the importance of robust regulatory bodies, such as Malaysia's JAKIM and Indonesia's BPJPH, which set stringent standards and enforce comprehensive certification processes (Yakub, 2022). These frameworks cover all aspects of production, from sourcing raw materials to processing, packaging, and distribution, ensuring products meet halal requirements (Supian, 2018). However, disparities in certification standards across different countries pose challenges for international trade, prompting efforts towards harmonization of global halal standards by organizations like the International Halal Integrity Alliance (Rathgens et al., 2020). Technological advancements like blockchain are integrated into regulatory frameworks to enhance transparency, traceability, and consumer trust in halal certification processes (Karyani et al., 2024). Furthermore, mandatory halal certification laws, such as Indonesia's Halal Product Assurance Law (Muslimin, 2019), reflect a governmental commitment to protecting consumer rights and promoting economic growth through the halal sector (Halim et al., 2014). Overall, the regulatory framework for halal certification continues to adapt, balancing religious adherence with contemporary market demands and technological innovations.

Recent developments in the regulatory framework for halal certification reveal specific efforts by various countries to standardize and enhance the certification process. Malaysia's Department of Islamic Development (JAKIM) has established itself as a benchmark for halal certification, offering comprehensive guidelines that cover the entire supply chain from farm to fork. JAKIM's certification is widely recognized internationally, helping Malaysian halal products gain global market access (Suhaimie et al., 2019). In contrast, Indonesia's Halal Product Assurance Agency (BPJPH) has been implementing the Halal Product Assurance Law (Law No. 33/2014), which mandates halal certification for all consumable products and services, reflecting a more stringent national approach to ensure consumer protection and boost the halal

economy (Rachman & Sangare, 2023).

Countries are also working towards harmonizing standards to facilitate international trade. The International Halal Integrity Alliance (IHIA) is one such body striving to create unified global halal standards, although differences in religious interpretations pose challenges (Sakti, 2023). Integrating advanced technologies like blockchain in the halal certification process is gaining traction, with studies highlighting its potential to enhance transparency, traceability, and consumer confidence in halal products (Rashid & Bojei, 2020). Additionally, the regulatory framework is increasingly addressing non-food sectors, including pharmaceuticals, cosmetics (Noordin et al., 2014), and tourism, broadening the scope of halal certification and ensuring comprehensive adherence to halal principles across various industries (Khan & Haleem, 2016). Efforts in this direction underscore the dynamic nature of halal certification regulation, balancing religious obligations with modern market needs and technological advancements.

### **2.3 Halal Food Industry**

The food industry has undergone significant transformations in recent years, driven by technological advancements, evolving consumer preferences, and increased regulatory scrutiny. Studies highlight the rise of health-conscious consumerism, which has led to a surge in demand for organic, natural, and functional foods (Gineikiene et al., 2017). Integrating digital technologies like the Internet of Things (IoT) and blockchain has enhanced supply chain transparency and efficiency, enabling better traceability and quality control (Miraz et al., 2020). Moreover, the industry faces mounting pressure to adopt sustainable practices, addressing food waste, carbon footprint, and ethical sourcing (Filimonau & Gherbin, 2017). Regulatory frameworks also tighten, emphasizing food safety standards and labelling requirements to protect consumer health and ensure fair market practices (Soon & Baines, 2013). The food industry's evolution reflects a complex interplay of technological innovation, regulatory changes, and shifting consumer demands.

The halal food industry has experienced notable growth and transformation, driven by the increasing global Muslim population and rising awareness of halal standards among consumers. Recent studies indicate that the demand for halal-certified food products extends beyond Muslim consumers, appealing to a broader demographic that associates halal certification with quality, hygiene, and ethical production practices (Iranmanesh et al., 2020). The industry's expansion is also fueled by technological advancements such as blockchain for traceability, which enhances transparency and consumer trust in halal supply chains (Hendayani & Fernando, 2023). Regulatory frameworks play a crucial

role, with countries like Malaysia and Indonesia leading the way in establishing robust halal certification bodies like JAKIM and BPJPH, respectively, which set stringent standards and ensure compliance across the industry (Tohe et al., 2021).

The halal food market's globalization has prompted efforts towards standard harmonization to facilitate international trade. Organizations such as the International Halal Integrity Alliance (IHIA) are working towards unified global standards, although achieving consensus remains challenging due to diverse interpretations of halal requirements (Mehmood et al., 2024). The industry also faces the challenge of scaling up to meet the varied and growing demand while strictly adhering to halal principles. Innovative solutions such as halal industrial parks and dedicated halal logistics services are emerging to support this growth and enhance operational efficiency (Haleem & Khan, 2017).

Overall, the halal food industry's evolution reflects a dynamic interplay of religious adherence, technological innovation, and regulatory and market demands, positioning it as a significant and rapidly growing segment within the global food industry.

### **3. METHODOLOGY**

This article uses a qualitative methodology to analyze the navigation of halal certification standards for the halal food industry between Indonesia and Malaysia. The methodology includes: (1) collecting policy and regulatory documents on halal certification from both countries, (2) developing a coding framework based on key themes—such as permissible ingredients, production processes, labeling, and auditing procedures, (3) systematically analyzing documents using this framework to identify similarities and divergences, and (4) conducting a comparative analysis of findings, contextualized by existing literature, to assess implications for businesses operating in both markets. Data were collected through primary sources, Indonesian and Malaysian halal guidelines, state regulations, and secondary sources from journals and halal websites in Indonesia and Malaysia. The findings in this article consist of first, explaining the regulations used to establish halal certification in the food industry based on Islamic law and state regulations in Indonesia and Malaysia. Second, the halal certification process for the food industry is revealed in both countries, which Indonesia conducts through BPJPH and JAKIM in Malaysia. Finally, a comparative analysis is conducted through document analysis of the halal certification process in the food industry, including regulations established in Indonesia and Malaysia.



## 4. RESULTS & DISCUSSION

### 4.1 Regulations

The Indonesian framework emphasizes strict adherence to halal principles across various products, including non-food items. In contrast, Malaysia’s halal certification, overseen by JAKIM, is not mandatory but highly recommended for market competitiveness.

**Table 1.** Regulation and Product Requirements

Subject	BPJPH Indonesia	JAKIM Malaysia
Regulation	Mandatory by Law No. 33/2014, Government Regulation 39 of 2021, and MUI’s Fatwa	Not Mandatory, Malaysia is divided between JAKIM, State Religious Authorities, and other related ministries.
Product	Food, pharmaceuticals, cosmetics, and other consumer goods.	Food, cosmetics, pharmaceuticals, and personal care products related to industry, slaughtering methods, ingredient sourcing, and production facilities. Products must also be free from contamination with non-halal substances.

Source: Data Processed

Both countries aim to uphold halal integrity, though Indonesia's mandatory certification under national law creates a broader regulatory scope than Malaysia's voluntary but comprehensive system. JAKIM's certification process involves detailed inspections of raw materials, production methods, packaging, and distribution to ensure compliance with Islamic dietary laws. While Malaysia's primary focus is on food and beverages, the certification extends to non-food products with specific but less stringent requirements. Malaysian halal standards are comprehensive and include specific criteria for slaughtering methods, ingredient sourcing, and production facilities. Products must also be free from contamination with non-halal substances.

### 4.2 Halal Certification Process

In Indonesia, BPJPH, as the organizer of halal product assurance through LPPOM MUI is conducted by checking the adequacy of documents, scheduling audits, conducting audits, conducting auditor meetings, issuing audit memorandums, and submitting minutes of audit results at the MUI Fatwa Commission meeting. The following table briefly describes the comparison of halal certification processes.

**Table 2.** Comparison of Halal Certification Processes

<b>Aspect</b>	<b>Indonesia</b>	<b>Malaysia</b>
Halal Certification Authority	BPJPH Indonesia	JAKIM Malaysia
Regulatory Framework	Halal certification is mandatory by law for domestic consumption and distribution, covering a broader range of products beyond just food.	Halal certification is comprehensive but not mandatory for all products, although it is highly recommended for market competitiveness.
Registration Procedure	Submission of e-application to BPJPH	Online application through MYeHALAL system on JAKIM Halal Hub
Required Documentation	Detailed ingredients, production processes, facilities	Company profile, business registration, product description, ingredients, etc.
Scope and Application	The certification process covers a wide array of products and services under the Halal Product Assurance Law, requiring compliance for market access.	The certification process focuses on food and beverages but extends certification to non-food items with less stringent requirements than food products.
Inspection	Halal audit by selected LPH (Halal Inspection Agency)	Site inspection by JAKIM's authorized officers or certified auditors
Assessment by Authority	MUI evaluates inspection results from LPH	JAKIM assesses compliance with halal standards
Certificate Issuance	Issued by BPJPH upon MUI approval	Issued by JAKIM after inspection and compliance verification
Certificate Validity Period	Four years	Two years (except for slaughterhouses, which is one year)
Certificate Renewal	Requires renewal	Needs renewal at least three months before the expiry date
Institutional Structure and Accreditation	BPJPH functions as an independent agency under Indonesia's Ministry of Religious Affairs. It collaborates with LPH (Halal Product Assessment Institutes), which is authorized to carry out halal audits and issue certificates.	JAKIM operates as the main regulatory body overseeing halal certification in Malaysia. It accredits and manages a network of Halal Certification Bodies (HCBs) and Halal Auditing Agencies (HAAs) that conduct inspections and

BPJPH's framework ensures compliance with Indonesia's Halal Product Assurance Law, which encompasses various sectors beyond food. This decentralized approach involves multiple LPHs across Indonesia, each responsible for certifying halal products within their designated regions.	audits according to JAKIM's stringent guidelines. JAKIM's certification is highly regarded globally, which facilitates easier market access for Malaysian halal products in international markets
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Source: Data Processed

Halal certification begins when businesses or producers apply for BPJPH or an authorized LPH. The application includes detailed documentation regarding ingredients, production processes, and facilities. Once the application is received, BPJPH or LPH conducts a thorough halal audit, which involves on-site inspections to verify compliance with halal requirements. This includes examining sourcing practices to ensure all ingredients used are halal, assessing production methods to ensure adherence to Islamic principles, and evaluating storage and handling procedures to prevent contamination with non-halal substances. The audit includes reviewing packaging and labeling to ensure accurate halal certification claims. After the audit, BPJPH or LPH reviews the findings and issues a halal certificate if the business meets all requirements. The certificate is valid for a specified period and subject to regular audits and inspections to maintain compliance.

Any person must first submit an e-application to the Halal Product Assurance Agency (Badan Penyelenggara Produk Halal-BPJPH), the government institution tasked with implementing Halal product warranties. Once the e-application is complete, the BPJPH and the applicant will together choose a Halal Inspection Agency (Lembaga Pemeriksa Halal – LPH) to conduct the testing of the products or services based on standards determined by the BPJPH. The inspection must take place within 15 days of registration, and the LPH could be subject to sanctions if it fails to meet this time limit.

Once the inspection is complete, the LPH will deliver the results to the Indonesian Ulama Council (Majelis Ulama Indonesia – MUI). This institution will ultimately determine if the product or service is deemed Halal. The MUI will issue a ruling within three business days after the MUI has received the results from the LPH. This is seen as a significant improvement to previous regulations, in which the MUI responded within thirty business days. After the ruling has been issued, the BPJPH will issue the Halal certificate within one business day. The Halal certificate is valid for four years. This is set in *Undang-*

Undang Nomor 33 Tahun 2014 tentang Jaminan Produk Halal (UU JPH) Pasal 42. The flow of the image below can be seen:

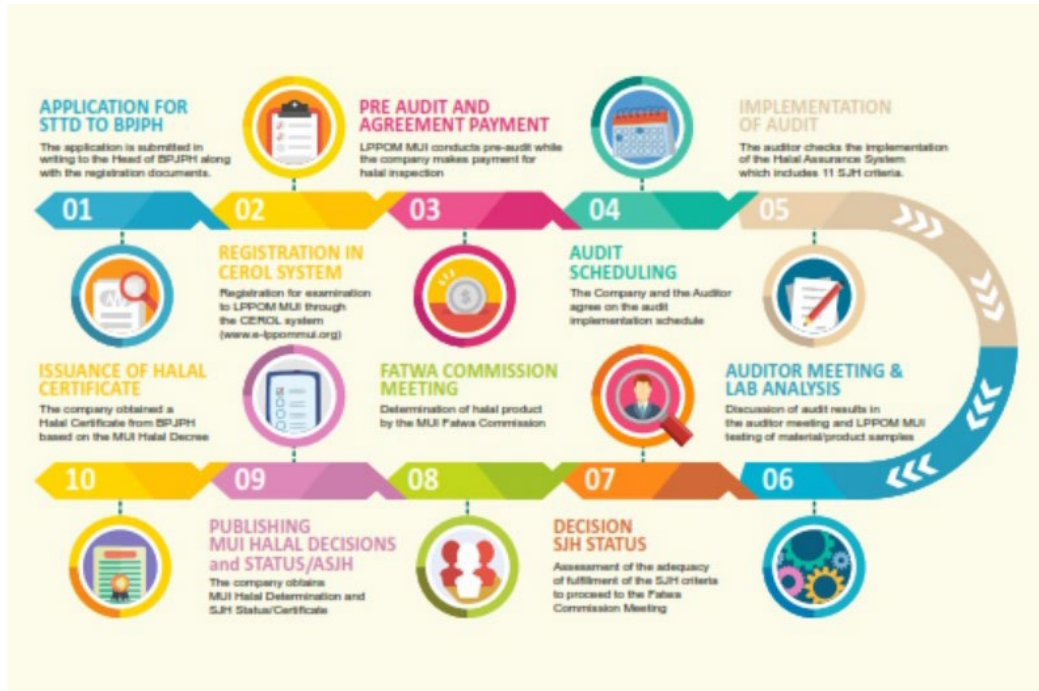


Figure 1. Halal Certification Procedure Indonesia

In Malaysia, The Department of Islamic Development Malaysia (Jabatan Kemajuan Islam Malaysia (JAKIM)) is the government agency that oversees Halal Certificates in Malaysia. Companies can apply for a Halal Confirmation Certificate online through the MYeHALAL system on the JAKIM Halal Hub. Applicants for a Halal Confirmation Certificate consist of six categories. These are:

- Manufacturer/producer;
- Distributor/trader;
- Sub-contract manufacturer;
- Repacking;
- Food premise, and
- Abattoir/ slaughterhouse

If successful, companies can display a Halal logo issued by JAKIM on their products. Besides that, the applicant must complete the documents required by JAKIM, as follows:

- Company profile;
- Company/business registration;
- Name and description of product/menu for certification;
- Ingredients used;
- Name and address of manufacturer/ingredient supplier;
- Halal status for ingredients with the Halal certificate or product

- specification for critical ingredients (if relevant);
- Type of packaging material;
- Manufacturing process and procedure;
- Other documents, such as HACCP, ISO, GHP, GMP, TQM, etc. (If any);  
and
- Location map of premise/factory

The applicant must create a file for the Halal Certificate application that stores all relevant documents during JAKIM's inspection of the premises. The inspector may take product samples for laboratory analysis during the inspection. If the applicant is successful, their Halal Certification will be valid for two years, except for slaughterhouses, where the certification will be valid for one year. Holders of a Halal Certificate must apply for renewal at least three months before the certificate's expiration date (Koty, 2022).

JAKIM (Department of Islamic Development Malaysia) centrally manages the halal certification process as the central authority. Businesses seeking halal certification must first appoint a certified Halal Executive Officer (HEO) and undergo training. The certification process involves submission of application, assessment of documents, site inspection by JAKIM's authorized officers or certified auditors, and review of practices such as sourcing, manufacturing, handling, and distribution to ensure conformity with halal standards. Upon satisfactory completion of the audit and compliance verification, JAKIM issues the halal certificate.

Both countries prioritize ensuring halal integrity through rigorous certification processes, with efforts towards harmonization and mutual recognition of halal standards to facilitate international trade and consumer trust. Understanding these processes is crucial for businesses aiming to effectively enter and navigate the halal market in Indonesia and Malaysia.

### **4.3 Discussion**

The differences in regulatory frameworks between JAKIM and BPJPH present challenges for businesses operating in both Malaysia and Indonesia. These include navigating different certification processes, understanding varying interpretations of halal requirements, and meeting country-specific compliance standards. International organizations like the International Halal Integrity Alliance (IHIA) are crucial in promoting the global harmonization of halal standards. However, achieving uniformity in interpretation and implementation remains a significant challenge due to diverse cultural, legal, and religious perspectives across different countries.

Indonesia's halal certification in the food industry follows the Halal Product Assurance Law (Law No. 33/2014), requiring all consumables to be certified halal. The process involves key steps and regulatory measures to ensure adherence to Islamic dietary laws. The process begins with the business or producer applying for certification from BPJPH (Halal Product Assurance Agency) or its authorized LPH (Halal Product Assessment Institute) if decentralized. The halal certification process involves submitting an application and documents, a halal audit by certified auditors (covering sourcing, production, and storage), review by BPJPH, and certification issuance upon audit approval. Continuous monitoring and periodic audits ensure ongoing compliance.

The halal certification process in the food industry in Indonesia and Malaysia is a comprehensive and structured procedure aimed at ensuring compliance with Islamic dietary laws. In Malaysia, Halal certification ensures that products meet the halal standards set out in Islam. This includes using halal ingredients, halal production methods, and the absence of contamination with haram in the product. This aims to ensure the halalness of products circulating and traded throughout Indonesia so that the Business Actors are consistent and compliant with the Halal Product Guarantee System.

In Malaysia, JAKIM serves as the central authority overseeing the halal certification process. Businesses seeking halal certification must first appoint a certified Halal Executive Officer (HEO) and undergo training to understand the requirements and procedures of halal certification. The certification process begins with businesses applying JAKIM, accompanied by detailed documentation on ingredients, production processes, and facility specifications. However, JAKIM in Malaysia and BPJPH in Indonesia aim to ensure halal product compliance, catering to Muslim consumers' needs domestically and globally. However, their regulatory frameworks differ in institutional structure, accreditation processes, scope of certification, and enforcement mechanisms. Understanding these distinctions is essential for businesses seeking to navigate regulatory requirements and the complex landscape of halal certification in Southeast Asia and beyond.

Comparison:

**Table 3. Summarize Comparison**

Subject	Indonesia	Malaysia
<b>Mandatory vs. Voluntary Certification</b>	Indonesia mandates halal certification for all consumable products and services.	Malaysia’s certification is not mandatory but is highly recommended for market competitiveness.
<b>Centralized vs. Decentralized Certification</b>	Indonesia has a more decentralized approach involving BPJPH and various LPHs.	Malaysia has a centralized certification process under JAKIM.
<b>Scope and Application</b>	Under national law, Indonesia’s certification covers a broader range of products and services.	Malaysia primarily focuses on food and extends certification to non-food items with less stringent requirements than food products.

Source: Data Processed

The Halal certification process in Indonesia and Malaysia has revealed significant differences and challenges. In Indonesia, BPJPH oversees the halal certification process, which includes registration, document review, field audits, and lab testing. This process is often seen as complex and time-consuming, especially for SMEs with limited resources. In contrast, in Malaysia, Jabatan Kemajuan Islam Malaysia (JAKIM) runs a more integrated certification system using information technology to speed up the process. However, the main challenge in Malaysia lies in ensuring compliance across a complex supply chain. Recent studies have also shown that both countries are working to improve transparency and efficiency by applying technologies such as blockchain for product tracking and verification. Nonetheless, there are still gaps in the harmonization of standards between the two countries, which could hamper international trade and reduce consumer confidence. Further study is needed to evaluate the effectiveness of recent regulatory changes and how technological innovations can be better integrated with the Halal certification process in Indonesia and Malaysia.

The halal certification process in Indonesia BPJPH and Malaysia (JAKIM) shares core principles but presents complexities for businesses operating across both countries. While both systems emphasize Islamic principles throughout the food chain, a comparative analysis reveals discrepancies. This research delves into these nuances, examining variations in permitted additives, sourcing requirements for critical ingredients, and labeling specifications. These minor details can significantly impact businesses, potentially leading to inefficiencies and non-compliance if not addressed. By utilizing a multi-

pronged approach, this research aims to bridge the knowledge gap by offering practical solutions and clear guidelines that empower businesses to navigate the intricacies of both MUI and JAKIM certification. To foster a more efficient regional halal food ecosystem and fully realize the global market potential, this study recommends several strategies. First, harmonizing standards through a joint committee between Indonesia and Malaysia could create unified guidelines for permissible additives, source verification, and auditing processes. Second, establishing mutual recognition agreements between BPJPH and JAKIM would streamline certification, reduce redundancy, and promote economic growth for businesses operating in both markets. Finally, investing in digitalization and data sharing—such as shared databases for certified ingredients and suppliers—would enhance transparency, traceability, and overall efficiency within the regional halal food industry.

## **5. CONCLUSION**

Navigating the halal certification standards in the food industries of Indonesia and Malaysia reveals distinct yet equally rigorous processes shaped by their respective regulatory frameworks. Indonesia's certification, managed by the BPJPH in cooperation with MUI, involves a detailed, multi-step audit of the entire supply chain, culminating in a fatwa review. Malaysia's process, overseen by JAKIM, is centralized and streamlined, strongly emphasizing thorough documentation and facility inspections. Both nations face the challenge of aligning their standards with international norms, yet they actively pursue technological innovations like blockchain to enhance transparency and traceability. These efforts are crucial for maintaining consumer trust and ensuring that halal certification processes remain robust and reliable, positioning both countries as key players in the global halal market.

These initiatives not only bolster the integrity of their halal certification processes but also facilitate smoother trade and market access for halal products on a global scale. Ongoing collaboration and potential mutual recognition agreements between Indonesia and Malaysia could further streamline certification, reduce redundancy, and foster greater economic cooperation for businesses in both countries. Furthermore, adopting technological advancements and harmonizing standards could serve as a model for other nations looking to strengthen their halal certification frameworks. The continuous improvement and adaptation of these certification processes are essential for meeting consumers' evolving demands and maintaining Indonesia and Malaysia's competitiveness in the ever-expanding global halal market. Through these concerted efforts, both countries are well-positioned to lead the way in setting high standards for halal certification, ensuring that the principles of halal are upheld with the utmost



rigor and transparency.

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