

COMPETITION AND ANTITRUST

Label It or Be Liable: The Legal Duty to Declare Non-Halal Products



Recent public attention and growing public concern over improperly labelled non-halal food and beverage products in Indonesia have underscored the serious legal risks businesses face when they fail to clearly disclose non-halal content. In one instance, authorities responded swiftly to consumer concerns, with both the BPJH (the Halal Product Assurance Organising Body) and the BPKN (the National Consumer Protection Agency) launching investigations and initiating public oversight measures following multiple consumer complaints.

In today's climate of heightened consumer awareness, businesses must either obtain halal certification or clearly mark their products as "non-halal" when they contain non-halal ingredients. Failure to comply with either obligation may constitute violation of halal product assurance and consumer protection regulations.

A Legal Obligation, Not a Choice

Law No. 33 of 2014 on Halal Product Assurance (as amended by Law No. 6 of 2023) and Government Regulation No. 42 of 2024 on Organisation of Halal Product Assurance ("**GR 42/2024**", and together with Law No. 33 of 2014, the "**Halal Product Assurance Law**") impose explicit obligations on businesses whose products are marketed, distributed, or traded in Indonesia. These obligations include not only obtaining halal certification for products subject to such requirements but also providing clear and explicit information when products contain non-halal ingredients (such as pork, blood, alcoholic beverages, or materials derived from non-halal process).

This labelling requirements applies not only to foods and beverages (which are already subject to mandatory halal certification), but also to other categories—such as cosmetics, supplements, and medicines—that will become subject to mandatory halal certification in later phases. Non-compliance may result in administrative sanctions, including written warnings and product recalls.

Business should also observe Law No. 8 of 1999 on Consumer Protection, which obligates them to provide clear, honest, and accurate information about the nature, quality, and composition of goods and services. This includes the disclosure of non-halal ingredients. If a business intentionally misrepresents or omits such information with the aim of deceiving consumers, it could face not only administrative penalties but also criminal liability.

The Requirement to Include a Non-Halal Label

The Halal Product Assurance Law expressly requires businesses to declare the non-halal status of products containing non-halal ingredients. Article 110 of GR 42/2024 mandates that a non-halal remark must be affixed to the product packaging or another prominent and durable part of the product, in a manner that is clearly visible and resistant to removal or damage.

GR 42/2024 further stipulates that detailed technical guidelines regarding the format, placement, and appearance of the non-halal remark will be issued through subsequent regulations by the BPJPH in coordination with relevant ministries or institutions. As of the date of this client alert, no such implementing regulation has been issued. Pending further guidance, businesses that produce goods and/or services related to food, beverages, medicines, cosmetics, chemical products, biological products, genetically engineered products, as well as consumer goods that are worn, used, or utilised by the public and contain non-halal ingredients are advised to act in good faith by prominently and unambiguously disclosing non-halal status using clear text or visual icons placed near the ingredient list or the primary product display.

Key Takeaways for Businesses

- **Halal-labelled products must follow strict certification protocols.** Businesses that choose to obtain halal certification must comply with *all* applicable requirements, including undergoing ingredient and process audits by an authorised halal inspection body. Ongoing obligations also apply post-certification, such as maintaining halal-compliant processes and reporting any ingredient changes.
- **Non-halal labelling is not optional.** Products containing non-halal ingredients must be clearly and explicitly remarked as such. Omissions may result in administrative sanction and potential criminal liability. Product recall or temporary suspension of business operation—as seen recently—may lead to significant financial losses.
- **Transparency is essential.** Honest and clear labelling protects consumers and shields businesses from legal and reputational risk.
- **Public perception matters.** In the age of social media and digital activism, misleading or unclear labelling can trigger swift public backlash, regulatory scrutiny, and long-term reputational damage.

Contacts

COMPETITION AND ANTITRUST



Albert Boy Situmorang

PARTNER

D +62 21 2555 9955
albert.situmorang@ahp.id



Tsurayya Nurrahma

SENIOR ASSOCIATE

D +62 21 2555 9957
tsurayya.nurrahma@ahp.id

Contribution Note

This Legal Update is contributed by the Contact Partners listed above, with the assistance of **Muhammad Rafiif Reynaldi** (Associate, Assegaf Hamzah & Partners).

Please feel free to also contact Knowledge Management at RTApublications@rajahtann.com.

Regional Contacts

Cambodia

Rajah & Tann Sok & Heng Law Office

T +855 23 963 112 | +855 23 963 113
kh.rajahtannasia.com

China

Rajah & Tann Singapore LLP

Representative Offices

Shanghai Representative Office

T +86 21 6120 8818
F +86 21 6120 8820

Shenzhen Representative Office

T +86 755 8898 0230
cn.rajahtannasia.com

Indonesia

Assegaf Hamzah & Partners

Jakarta Office

T +62 21 2555 7800
F +62 21 2555 7899

Surabaya Office

T +62 31 5116 4550
F +62 31 5116 4560
www.ahp.co.id

Lao PDR

Rajah & Tann (Laos) Co., Ltd.

T +856 21 454 239
F +856 21 285 261
la.rajahtannasia.com

Malaysia

Christopher & Lee Ong

T +603 2273 1919
F +603 2273 8310
www.christopherleeong.com

Myanmar

Rajah & Tann Myanmar Company Limited

T +951 9253750
mm.rajahtannasia.com

Philippines

Gatmaytan Yap Patacsil Gutierrez & Protacio

(C&G Law)

T +632 8248 5250
www.cagatlaw.com

Singapore

Rajah & Tann Singapore LLP

T +65 6535 3600
sg.rajahtannasia.com

Thailand

Rajah & Tann (Thailand) Limited

T +66 2656 1991
F +66 2656 0833
th.rajahtannasia.com

Vietnam

Rajah & Tann LCT Lawyers

Ho Chi Minh City Office

T +84 28 3821 2382
F +84 28 3520 8206

Hanoi Office

T +84 24 3267 6127 | +84 24 3267 6128
vn.rajahtannasia.com

Rajah & Tann Asia is a network of legal practices based in Asia.

Member firms are independently constituted and regulated in accordance with relevant local legal requirements. Services provided by a member firm are governed by the terms of engagement between the member firm and the client.

This update is solely intended to provide general information and does not provide any advice or create any relationship, whether legally binding or otherwise. Rajah & Tann Asia and its member firms do not accept, and fully disclaim, responsibility for any loss or damage which may result from accessing or relying on this update.

Our Regional Presence



Based in Indonesia, and consistently gaining recognition from independent observers, Assegaf Hamzah & Partners has established itself as a major force locally and regionally, and is ranked as a top-tier firm in many practice areas. Founded in 2001, it has a reputation for providing advice of the highest quality to a wide variety of blue-chip corporate clients, high net worth individuals, and government institutions.

Assegaf Hamzah & Partners is part of Rajah & Tann Asia, a network of local law firms in Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Our Asian network also includes regional desks focused on Japan and South Asia.

The contents of this Update are owned by Assegaf Hamzah & Partners and subject to copyright protection under the laws of Indonesia and, through international treaties, other countries. No part of this Update may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of Assegaf Hamzah & Partners.

Please note also that whilst the information in this Update is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as a substitute for specific professional advice for any particular course of action as such information may not suit your specific business and operational requirements. It is to your advantage to seek legal advice for your specific situation. In this regard, you may contact the lawyer you normally deal with in Assegaf Hamzah & Partners.