

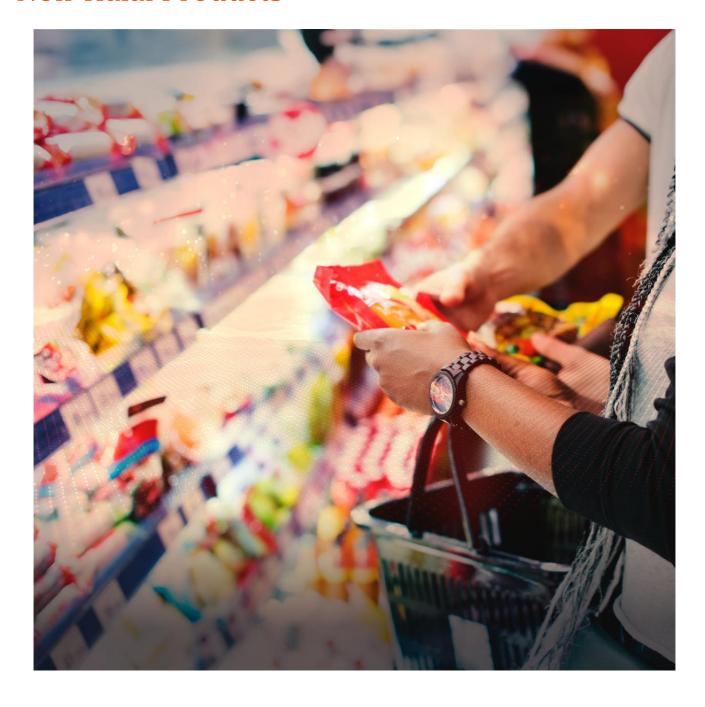


Indonesia Client Update

20 JUNE 2025

### **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 oversights 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.

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