

COMPETITION / ANTITRUST, CONSUMER & TRADE

BPJPH Issues Administrative Sanctions Regulation Ahead of October 2026 Mandatory Halal Expansion



With mandatory halal certification set to expand significantly in October 2026, the Halal Product Assurance Agency (*Badan Penyelenggara Jaminan Produk Halal* or "**BPJPH**") has issued a new regulation detailing how administrative sanctions will be imposed on non-compliant business actors. On 5 June 2026, BPJPH Regulation No. 2 of 2026 on Imposition of Administrative Sanctions for Violations of Halal Product Assurance Implementation ("**Regulation**") came into force. The Regulation sets out a more detailed framework for the imposition of administrative sanctions under the halal product assurance (*Jaminan Produk Halal* or "**JPH**") regime.

The Regulation does not introduce new substantive obligations. Instead, it provides greater clarity on enforcement by setting out structured mappings between violations and sanctions, as well as more detailed rules on authority, procedures, and timelines. The Regulation also sets out grounds on which a sanctioned party may appeal an administrative sanction decision.

The October 2026 phase will extend mandatory halal certification beyond food and beverages to include cosmetics, pharmaceuticals, traditional medicines, health supplements, and certain consumer goods, and will also fully apply to food and beverage imports as well as micro and small enterprises, whose current relaxation period is set to expire in October 2026. Businesses in these sectors that have not yet obtained halal certification will, from October 2026, be subject to sanctions under the Regulation. In this context, the Regulation introduces a more structured approach to administrative sanctions enforcement as the JPH regime moves beyond its transitional compliance period.

The Regulation operationalises the sanctions framework established under Government Regulation No. 42 of 2024 on the Implementation of Halal Product Assurance ("**GR 42/2024**"), which governs the broader JPH ecosystem, including mandatory halal certification, BPJPH authority, business actor obligations, supervision, and inter-agency cooperation.

Key Features of the Regulation

- **Enforcement extends across the halal certification chain**

The Regulation clarifies that BPJPH may impose administrative sanctions on a broader range of parties involved in the JPH regime.

Previously, GR 42/2024 applied administrative sanctions primarily to business actors (*pelaku usaha*), Halal Inspection Institutions (*Lembaga Pemeriksa Halal* or "**LPH**"), and Halal Product Process Assistance Institutions (*Lembaga Pendamping PPH*). The Regulation expands this framework and brings halal auditors (*auditor halal*) and Halal Product Process Assistants (*Pendamping PPH*) within the scope of direct enforcement.

For businesses, this matters because halal compliance often depends on a wider certification ecosystem, including LPHs, auditors, consultants, distributors, importers, and internal product teams. The Regulation suggests that BPJPH intends to enforce the JPH regime across the full compliance chain, not only against the certificate holder.

- **Business actor sanctions**

Consistent with GR 42/2024, the Regulation confirms that business actors may be subject to the following administrative sanctions: (i) written warnings; (ii) administrative fines; (iii) revocation of the halal certificate; and/or (iv) product recall from circulation.

The Regulation also clarifies that revocation of a halal certificate includes the revocation of foreign halal certificate registration. For businesses importing products into Indonesia, the extension of revocation to foreign halal certificate registration is a material risk as it affects market access for the imported product.

The key development is not the introduction of new categories of sanctions, but the more detailed mapping of specific violations to applicable sanctions, together with clearer procedures for their imposition.

The table below summarises key compliance issues and the corresponding administrative sanctions under the Regulation.

Key Compliance Issue	Potential Sanction(s)	Practical Notes
Failure to obtain mandatory halal certification after the applicable statutory period	Written warning and/or product recall	Business actors have 30 business days after receiving a written warning to take follow-up action. Failure to comply may trigger product recall.
<ul style="list-style-type: none"> (1) Incorrect, unclear, or dishonest information in halal certificate registrations (2) Failure to separate halal and non-halal facilities (3) Failure to have a halal supervisor (4) Failure to maintain a product's halal status (5) Failure to renew halal certificate when the product composition or halal product process changes (6) Failure to implement halal product assurance system 	Administrative fine and/or revocation of halal certificate and mandatory product recall	<p>BPJPH may issue a prior written warning before imposing administrative fines.</p> <p>If the halal certificate is revoked, product recall will be automatically imposed.</p>
<ul style="list-style-type: none"> (1) Failure to report changes in material composition or halal product process to BPJPH (2) Failure to display halal labels for halal-certified products 	Gradual imposition of written warning → administrative fine → halal certificate revocation and mandatory product recall.	<p>If the composition change affects a product's halal status, sanctions will escalate directly to revocation of halal certificate and/or product recall.</p> <p>Where the halal certificate is revoked, product recall is automatically imposed.</p>
Failure to display non-halal information for products containing non-halal materials	Written warning	Business actor must recall product from circulation until non-halal information is affixed.

Key Compliance Issue	Potential Sanction(s)	Practical Notes
		For F&B outlets or direct service businesses, product recall means temporary closing of the relevant outlet/premises and putting up clear notices, such as stickers and/or banners.
(1) Failure to register foreign halal certificates (2) Failure to display foreign registration number next to the halal label (3) Failure to extend foreign registration	For medium/large businesses: <ul style="list-style-type: none"> • Administrative fine; and/or • Product recall For micro/small businesses, gradual imposition of written warning → administrative fine → product recall.	Different sanctions tracks apply depending on business scale.

- **Expanded scope for public disclosure of non-compliance**

Previously, public disclosure was limited to failure to disclose non-halal status. The Regulation broadens this. Now, where a business actor fails to comply with a written warning within the prescribed period, BPJPH may publicise the non-compliance through electronic and print media, social media, or on-site sticker placement.

As a result, public disclosure is no longer confined to failures to disclose non-halal information; it can also be used to escalate other JPH non-compliance that remains unremedied after a written warning. In practice, this increases the risk that halal non-compliance becomes a reputational issue before the underlying matter is resolved.

- **Procedural timelines**

The Regulation introduces and reinforces specific timelines for key enforcement steps, including the issuance of sanctions, business actor responses, product recall, and appeal processes.

The table below sets out the relevant timeline:

Step / Event	Timeline / Deadline
Business actor follow-up to written warning (general violations)	14 business days from receipt of the written warning
Business actor follow-up to written warning (specifically for failure to obtain halal certification after the statutory period)	30 business days from receipt of the written warning

Product recall completion	60 business days from imposition of the product recall sanction
Filing of appeal	5 business days from notification of the sanction to the sanctioned party

These compressed timelines mean business actors have limited time to prepare a response once a sanction is issued, particularly the 5-business-day window to file an appeal. Companies operating in the JPH ecosystem should ensure internal processes are in place to escalate and respond to BPJPH notices promptly.

- **Clarification of BPJPH Internal Authority**

The Regulation introduces a three-tiered authority structure for imposing administrative sanctions. This change clarifies which BPJPH officials are authorised to impose particular sanctions, thereby improving administrative efficiency and scalability.

- At the top level, the Head of BPJPH (*Kepala Badan*) has the authority to impose the most severe sanctions, including revocation of halal certificates and product recall.
- The senior executive official (*Pejabat Pimpinan Tinggi Madya*) in charge of JPH supervision and development may approve written warning recommendations and impose administrative fines.
- The primary executive official (*Pejabat Pimpinan Tinggi Pratama*) in charge of JPH supervision may issue written warnings, subject to approval from the senior high official.

For business actors, this means the seniority of the BPJPH official issuing a notice may itself indicate the severity of the matter.

- **Appeal mechanism and scope of challenge**

Consistent with GR 42/2024, the Regulation recognises a formal right of appeal for sanctioned parties. Appeals are limited to: (i) administrative fines; (ii) revocation of halal certificates; and/or (iii) product recalls from circulation imposed on a business actor. An appeal must be submitted to the Head of BPJPH within five business days from the date the sanction is imposed and notified.

Although GR 42/2024 already provides for an appeal mechanism, the Regulation clarifies that appeals may be based on, among others, procedural non-compliance in the JPH supervision process, insufficient evidence presented by the JPH supervisor, imposition of a sanction by an unauthorised official, newly discovered evidence affecting the severity of the sanction, or inability to complete remediation under a written warning due to force majeure. Business actors facing a sanction should assess at the outset whether any of these grounds apply, given the short five-business-day filing window.

In line with GR 42/2024, an appeal petition must include, at a minimum: (i) the identity of the appellant; (ii) a clear explanation of the grounds for the appeal; (iii) the specific decision being contested; and (iv) any supporting evidence substantiating the stated grounds.

Key Takeaways

The Regulation gives BPJPH a more operational enforcement framework, with clearer tools to impose administrative sanctions, shortened response timelines, and increased potential reputational impact for non-compliance. In this context, businesses should note the following key implications:

- **Expanded and more structured enforcement framework:** BPJPH now has clearer mappings between violations and sanctions, as well as defined procedures and internal lines of authority.
- **Priority compliance risk areas:** Businesses should ensure compliance on certification, labelling, the internal implementation of the JPH system, segregation of halal and non-halal facilities, appointment of halal supervisors, management of product composition changes, and foreign halal certificate registration, as these are key triggers for sanctions under the Regulation.
- **Increased enforcement exposure:** Sanctions may escalate from written warnings to administrative fines, revocation of halal certificates or foreign registrations, product recall, temporary closure of premises, and public disclosure.
- **Short procedural timelines:** Tight deadlines for responding to warnings and submitting appeals require readiness across internal teams.
- **October 2026 as an enforcement milestone:** Businesses should treat this phase as a trigger for active enforcement, rather than merely a certification deadline, and ensure that internal governance, monitoring, and remediation processes are aligned accordingly.

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