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Committee on Technical Barriers to Trade

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INDONESIA - HALAL PRODUCT ASSURANCE LAW NO. 33 OF 2014

STATEMENT BY THE UNITED STATES TO THE COMMITTEE ON TECHNICAL BARRIERS TO TRADE
26 – 27 FEBRUARY 2020

The following communication, dated 12 March 2020, is being circulated at the request of the delegation of the United States.

1. The United States recognizes the importance for Indonesian consumers to know whether products are halal. We want to work with you to ensure that the law achieves your objective without creating any unnecessary barriers to trade.

2. We thank Indonesia for its response to the U.S. Government and U.S. industry comments on the Ministry of Religious Affairs (MORA) Regulation on Implementation of Halal Product Assurance, which it notified to this Committee in [G/TBT/N/IDN/123](#).

3. We understand, however, that Indonesia finalized and issued another implementing regulation of the Halal Law in early May, Government Regulation 31 of 2019 on "Implementation Provisions of Law 33/2014 regarding Halal Product Assurance," which Indonesia has not notified to this Committee. We again ask that Indonesia notify this measure, and any additional implementing measures, to the Committee.

4. Furthermore, we understand that the Halal Product Assurance Agency is starting to develop implementing measures and guidance for specific product categories. Can you confirm the following list of products are in the scope and the envisioned timeline for the requirements to go into force:

- October 2024 for "food and beverage products";
- October 2026 for "traditional medicine and health supplements," "cosmetics, chemical product and genetically engineered products," "clothing, headgear and accessories," "household appliances, Muslim worship equipment, stationery and office equipment," and "goods for medical devices risk class A";
- October 2029 for "medicines" and "goods for medical devices risk class B";
- October 2034 for "prescription drugs, excluding psychotropic" and "good for medical devices risk class C."?

5. We ask that Indonesia specify what is the envisioned process and timeline for notifying and soliciting public comment on the implementing measures regarding the certification, packaging, and labeling requirements for each of these product categories.

6. In developing these requirements, we ask that Indonesia consider the comments we submitted expressing concerns as to the feasibility and necessity of requiring that all categories of covered products have separate manufacturing, processing, storage, packaging, distribution, and sale facilities for halal versus non-halal products. Will Indonesia consider exemptions for some products from these requirements? Further, when will Indonesia clarify which "naturally halal" food and

beverage products will be considered exempt from the new Halal Law, including the status of bulk shipments?

7. We request further information regarding Indonesia's response to U.S. Government comments regarding required labeling for non-halal products. Can you refer us to the applicable laws and regulations from Indonesia's National Agency of Drug and Food Control (BPOM/NADFC) that are referenced in Indonesia's response? As that refers to requirements for food and cosmetic products, what will be the requirements for other product types?

8. We request that Indonesia provide sufficient transition time for stakeholders to understand and comply with the requirements in these regulations. We understand that the MORA implementing regulation will allow for phased implementation of mandatory halal certification requirements and that Indonesia will continue to allow the sale of non-certified products. Can Indonesia confirm our understanding?

9. We would like to thank Indonesia for extending the recognition of foreign halal certification bodies so that halal-certified agricultural products can continue to enter Indonesia uninterrupted during this transition time. For the United States, the current recognition of our five U.S.-based halal certifiers will begin expiring on 5 June 2020. To ensure the continuation of trade, we strongly urge Indonesia to provide clear and timely guidance to foreign certification bodies wishing to apply for continued recognition once their current recognition period expires, and new foreign certification bodies wishing to apply for recognition.

10. We remain concerned with the mandatory requirement that both "halal" and "non-halal" products be labeled. Mandating labels for both halal and non-halal information will create confusion for consumers and will be costly and challenging for companies, both foreign and domestic, to implement.

11. We understand there is also a registration requirement for each foreign halal certificate included in the implementing regulations, including a requirement that the certificate registration numbers be included on the product label. As written, the registration requirement for importers is cumbersome, duplicative, and has the effect of restricting trade. Further, we do not see how the same registration requirements would apply to local products.

12. We request that Indonesia modify this registration requirement to reflect the fact that Indonesia's Halal Product Assurance Agency ("BPJPH") will already be conducting verifications of foreign halal agencies issuing halal certificates for imported goods.

13. We ask that Indonesia provide greater specificity as to which medical devices will be subject to the Halal Law's implementing regulations. We also ask Indonesia to clarify their response to the U.S. medical device industry request to exclude in-vitro diagnostic products made of animal material which do not come in contact with the human body from the scope of the Halal Law.

14. We are encouraged by Indonesia's notification of the MORA regulation and urge Indonesia to notify all previous and forthcoming implementing regulations in their draft form prior to their finalization and again request transparency as these rules are developed to provide adequate transition time, and an opportunity for stakeholder comments.
