
Original Research Article

Self-Declaration in Halal Certification: Regulatory Loophole, Ethical Risk, or Participatory Governance Opportunity in Indonesia

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ABSTRACT

The rapid growth of the halal industry has positioned halal certification as a crucial regulatory instrument to ensure religious compliance, consumer trust, and market integrity. The self-declaration policy for halal certification in Indonesia aims to simplify procedures and expand access for micro and small businesses. However, this policy has sparked debate regarding halal integrity, regulatory accountability, and ethical assurance. This research uses a qualitative critical legal approach with doctrinal and socio-legal analysis of regulations, policy documents, and public discourse regarding self-declaration. The analysis is conducted within the framework of the maqasid sharia and Islamic economic ethics. The results show that self-declaration improves administrative efficiency and certification access, but also poses governance risks in the form of verification gaps, weakened accountability, and a potential decline in public trust. Delegating halal claims to business actors without independent oversight risks turning halal certification into an administrative formality. Therefore, self-declaration needs to be integrated into a participatory halal governance model involving regulators, religious authorities, independent auditors, and the community. This model is considered capable of balancing regulatory efficiency, ethical integrity, and religious legitimacy.

Keywords: Halal Certification, Self-Declaration, Participatory Governance, Maqasid Shariah, Islamic Economic Ethics

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1. Introduction

The global halal industry has experienced significant expansion, encompassing not only food and beverages but also pharmaceuticals, cosmetics, logistics, tourism, and financial services (Noviyanti & Hakim, 2025). Within this ecosystem, halal certification functions as a

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critical governance mechanism that assures compliance with Islamic principles while simultaneously protecting consumer trust and market credibility. In a Muslim-majority country like Indonesia, halal certification not only serves as an economic instrument but also reflects a religious obligation and the state's responsibility to ensure the halal status of products distributed to the public (Kusumaningtyas & Latifah, 2024). Halal certification serves as a means of protecting Muslim consumers, enabling them to consistently practice religious teachings in their consumption activities. Therefore, halal policy is not merely about market preferences but also has normative, ethical, and constitutional dimensions within a state governance framework focused on protecting the public.

The implementation of mandatory halal certification in Indonesia marks a significant shift in the halal governance system, shifting from a voluntary religious label to a legally and institutionally regulated mechanism (Fauzan et al., 2025; Hassan et al., 2021). To address various implementation challenges, particularly the limited capacity of certification bodies and the high number of micro and small enterprises (MSMEs), the government introduced a self-declaration mechanism (Kusuma, 2024). This policy provides businesses that meet certain criteria with the opportunity to independently declare the halal status of their products based on established requirements. The simplified procedure is expected to reduce administrative barriers, expedite the certification process, and expand the reach of halal protection for small-scale businesses.

Despite its pragmatic objectives, the implementation of the self-declaration mechanism has raised various concerns and debates in the public sphere (Cahyaningrum et al., 2025). The primary criticism highlights that granting businesses the authority to self-declare their products' halal status has the potential to undermine the fundamental principles of halal certification, which rely on independent verification, religious authority, and ethical accountability. Public discourse has questioned whether the self-declaration policy represents a progressive regulatory innovation or a legal loophole that could potentially undermine the integrity of the halal system (Perdana et al., 2024). These concerns have intensified with the emergence of consumer confusion, ambiguous halal labels, and limited transparency in the verification process, ultimately impacting public trust and the legitimacy of halal governance (Apriyani & Cahyono, 2025)

From an Islamic legal and ethical perspective, halal certification is closely linked to the concept of *maqasid al-shariah*, specifically the protection of religion (*hifz al-din*) and the protection of consumer welfare (Irfan et al., 2025; Wulandari et al., 2025). If halal assurance mechanisms emphasize procedural efficiency over substantive verification, there is a risk that halal certification will become merely an administrative tool without providing real religious assurance (Nazri et al., 2025). This situation reflects a broader governance dilemma: how to balance regulatory efficiency, economic inclusiveness for MSMEs, and ethical-religious responsibilities within a modern halal certification system (Aufl et al., 2024).

Previous studies on halal certification have generally focused on market competitiveness, consumer behavior, and institutional effectiveness (Thani, 2025). However, studies specifically addressing self-declaration as a form of regulatory devolution and its ethical implications within an Islamic governance framework are still relatively limited. Furthermore, discourse on halal governance tends to overlook the importance of participatory mechanisms involving the

community, religious institutions, and independent oversight as efforts to rebuild public trust and legitimacy (Amid, 2024).

Based on this gap, this study aims to critically examine the self-declaration mechanism within the halal certification regime in Indonesia. This study explores whether self-declaration serves as a regulatory solution, poses potential ethical risks, or opens up opportunities for the reconstruction of a more participatory and accountable halal governance system. Using the maqasid al-shariah framework and Islamic economic ethics, this research is expected to contribute a governance perspective to the discourse on halal certification reform and offer conceptual direction towards a sustainable, credible, and trustworthy halal assurance system.

2. Methodology

2.1 Research Design and Approach

This study employs a qualitative critical legal research design integrating doctrinal legal analysis and socio-legal discourse analysis. This approach is particularly suitable for examining halal certification policies, as halal governance operates at the intersection of law, religion, ethics, and public administration. Rather than measuring causal relationships, this research aims to critically assess regulatory rationales, ethical implications, and governance consequences of the self-declaration mechanism in halal certification.

The study adopts a normative–critical perspective, positioning self-declare not merely as an administrative policy but as a form of regulatory devolution that redistributes authority from religious and state institutions to business actors. This perspective allows for a deeper evaluation of how such redistribution aligns or conflicts, with the foundational objectives of halal assurance and maqasid al-shariah.

2.2 Analytical Framework

The analysis is guided by an integrated framework combining:

1. Maqasid Shariah, with particular emphasis on:
 - a. *ḥifẓ al-din* (protection of religion),
 - b. *ḥifẓ al-nafs* (consumer safety),
 - c. *ḥifẓ al-mal* (economic integrity and fairness).
2. Islamic Economic Ethics, focusing on:
 - a. honesty (*ṣidiq*),
 - b. trustworthiness (*amanah*),
 - c. accountability (*mas’uliyah*).
3. Participatory Governance Theory, which emphasizes:
 - a. multi-stakeholder involvement,
 - b. transparency,
 - c. shared accountability in regulatory systems.

This framework enables a systematic assessment of whether self-declare strengthens or weakens halal governance from both ethical-religious and institutional perspectives.

2.3 Data Sources

Data were collected from multiple qualitative sources to ensure analytical depth and triangulation:

1. Primary Legal and Policy Documents
 - a. Halal Product Assurance Law and its implementing regulations.
 - b. Government regulations and technical guidelines related to self-declaration.
 - c. Institutional frameworks governing BPJPH, MUI, and halal auditors.
2. Institutional and Regulatory Reports
 - a. Official reports and public statements issued by halal authorities.
 - b. Policy briefs and regulatory evaluations related to halal certification reform.
3. Public Discourse and Media Analysis
 - a. Opinion articles, including critical public commentaries addressing self-declare.
 - b. Media reports reflecting consumer concerns, trust issues, and ethical debates.
4. Secondary Academic Literature
 - a. Peer-reviewed journal articles on halal certification, Islamic governance, and regulatory ethics.
 - b. Comparative studies on halal assurance systems in other Muslim-majority jurisdictions

2.4 Data Analysis Techniques

The data analysis proceeded through several structured stages:

1. **Doctrinal Legal Analysis**
Legal texts were examined to identify the normative objectives of halal certification and the legal rationale underpinning self-declaration.
2. **Critical Socio-Legal Analysis**
Policy implementation and the dynamics of public discourse are analyzed socio-legally to identify gaps between regulatory objectives and realities on the ground. The primary focus includes issues of public trust, the legitimacy of halal certification, and ethical assurance arising from changes in certification mechanisms, particularly the self-declaration scheme for MSMEs.
3. **Maqasid al-Shariah-Based Ethical Evaluation**
Regulatory features and governance outcomes are evaluated using the maqasid al-Shariah framework and Islamic ethical principles. This evaluation aims to assess the policy's substantive alignment with halal objectives, including consumer protection (hifz al-nafs), clarity of information (hifz al-'aql), and product halal assurance within the context of sustainability and social responsibility.
4. **Governance Synthesis**
Findings were synthesized to explore the feasibility of participatory halal governance as an alternative or complementary model to self-declaration.

2.5 Research Flow Diagram

The following outlines the research flow,

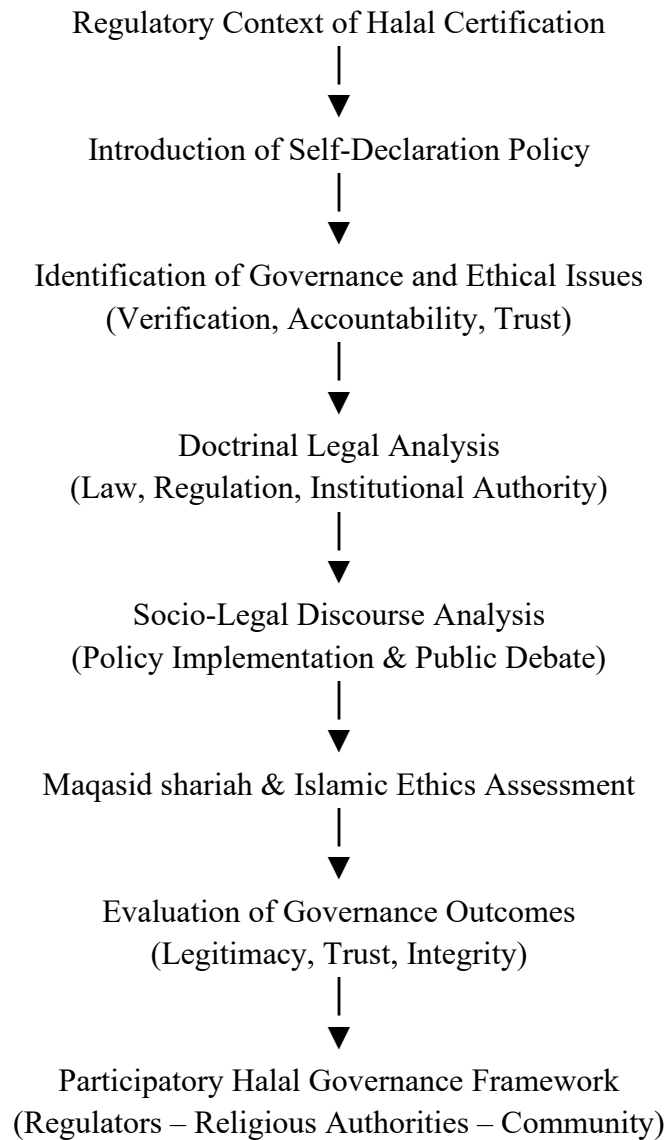


Figure 1. Research Flow Diagram

2.6 Research Trustworthiness and Rigor

To enhance methodological rigor, this study applies triangulation across legal texts, policy documents, and public discourse sources. Analytical transparency is maintained by explicitly linking regulatory findings to maqāṣid-based ethical evaluation. Rather than aiming for generalizability, this study prioritizes analytical depth and conceptual contribution, which are appropriate for critical governance research.

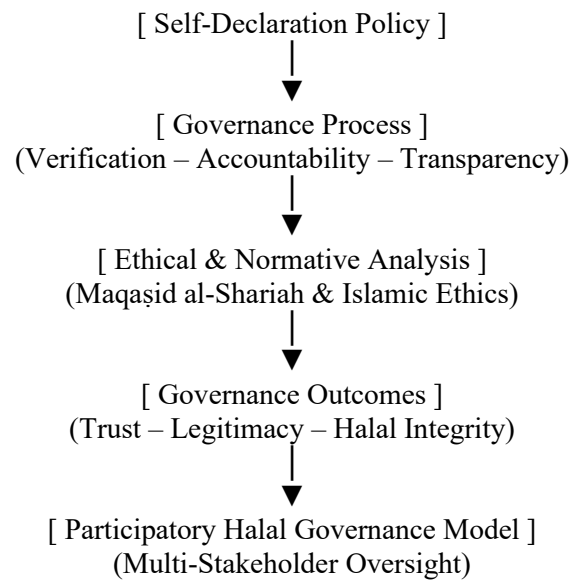


Figure 2. Maqasid-Based Participatory Governance Framework for Analyzing Self-Declaration in Halal Certification.

This framework conceptualizes self-declaration as a regulatory intervention affecting governance processes and ethical assurance. Through maqasid shariah and Islamic economic ethics, the framework evaluates governance outcomes and proposes participatory halal governance as a pathway to reconcile regulatory efficiency, religious legitimacy, and public trust.

3. Result and Discussion

3.1 Self-Declaration as a Regulatory Intervention in Halal Certification

The introduction of the self-declaration mechanism represents a significant regulatory intervention in Indonesia's halal certification system. From a governance perspective, the self-declaration scheme emerged as a policy response to structural limitations within the halal certification system, particularly the imbalance between the large number of micro and small enterprises (MSMEs) and the limited capacity of halal auditors. By simplifying procedures and providing opportunities for businesses to independently declare halal claims at an early stage, this policy aims to expand certification coverage, expedite service processes, and promote economic inclusiveness for small businesses. In this context, self-declaration reflects a regulatory strategy that emphasizes accessibility, administrative flexibility, and accelerated halal ecosystem development.

Research findings indicate that the implementation of self-declaration contributes to increased administrative efficiency while encouraging MSME participation in the halal certification regime. Businesses benefit from lower certification costs, shorter processing times, and reduced bureaucratic hurdles. This aligns with the policy's objectives, which emphasize economic facilitation, MSME empowerment, and expanding the formality of halal products in the market. However, this efficiency-oriented design simultaneously shifts the

locus of halal assurance from independent verification mechanisms to self-reporting, ultimately fundamentally changing the governance structure of halal certification.

Within this analytical framework, self-declaration can be understood as a form of regulatory devolution, namely the shift of some authority previously vested in religious institutions and state regulators to private economic actors. While this approach has the potential to increase administrative scalability and expedite certification services, its implications raise critical questions regarding maintaining halal integrity as a religious-value-based assurance system, rather than merely procedural compliance. The initial shift of responsibility to business actors also has the potential to impact the epistemic credibility of halal certification, accountability mechanisms, and levels of public trust. Thus, the self-declaration model reconfigures halal certification governance into a hybrid form that seeks to balance administrative efficiency, economic facilitation, and ethical-religious integrity within the halal assurance system.

3.2 Governance Process: Verification, Accountability, and Transparency

3.2.1 Verification Mechanism

The analysis reveals that the most critical governance challenge arising from self-declare lies in the verification mechanism. Traditional halal certification emphasizes independent inspection, material traceability, and religious supervision to ensure substantive compliance with halal principles. In contrast, self-declaration relies primarily on the honesty and awareness of business actors, with verification conducted only selectively or post-certification.

This approach creates a verification gap, particularly in sectors where supply chains are complex or where business actors lack sufficient understanding of halal standards. From a governance standpoint, reduced verification weakens the assurance function of halal certification and increases the risk of unintentional non-compliance. The framework analysis shows that efficiency gains achieved through self-declaration may come at the expense of substantive religious assurance if verification mechanisms are not completely reinforced.

3.2.2 Accountability Structure

Self-declaration also alters accountability relationships within the halal certification ecosystem. Under conventional systems, responsibility for halal assurance is clearly distributed among certification bodies, religious authorities, and auditors. With self-declare, accountability becomes diffused, as halal claims originate from business actors while regulatory oversight remains indirect.

This diffusion complicates enforcement and liability, particularly in cases of halal violations. When responsibility is unclear, corrective action becomes reactive rather than preventive. The findings suggest that without a clearly articulated accountability framework, self-declare risks undermining regulatory legitimacy and weakening institutional trust.

3.2.3 Transparency and Public Trust

Transparency constitutes another critical dimension affected by self-declare. Public access to information regarding certification processes, verification status, and compliance monitoring remains limited. Limited transparency in the certification mechanism has the potential to create confusion among consumers in distinguishing between halal products that have undergone a thorough audit process and those certified through a self-declaration scheme. This lack of

clarity can reduce consumers' ability to make informed judgments about a product's level of halal certainty. In the long term, this situation not only impacts individual perceptions but also the public's collective trust in the halal certification system as a whole.

The decline in public trust is a crucial issue because the credibility of halal certification depends heavily on the belief that the verification process is conducted objectively, consistently, and traceably. When transparency weakens, institutional legitimacy can be eroded, so that halal certification is no longer viewed as a strong guarantee but rather as merely an administrative formality. This situation risks creating market uncertainty, especially for consumers who rely on the halal label as a primary basis for purchasing decisions.

Furthermore, diminished trust is generally difficult to restore because it is linked to long-term perceptions of the integrity of the oversight system. The impact can extend to the competitiveness of the halal industry, both domestically and globally, especially when the consistency of standards and verification mechanisms is questioned. Therefore, this analytical framework emphasizes that transparency is not merely a supporting element but a fundamental component of halal governance. Transparency serves to ensure accountability in the certification process, strengthen institutional legitimacy, and maintain the sustainability of the halal industry ecosystem by continually increasing public trust.

3.3 Ethical and Maqasid shariah Assessment

Using maqasid shariah and Islamic economic ethics as analytical lenses, the findings demonstrate that self-declare presents ethical tensions that extend beyond procedural concerns.

3.3.1 Maqasid shariah Implications

From the perspective of *ḥifz al-din* (protection of religion), halal certification serves not only as an administrative instrument but also as a normative mechanism to ensure that Muslim consumption practices remain aligned with Sharia principles. Therefore, a comprehensive verification process is crucial to ensure that halal status is based on accurate and accountable audits. When verification mechanisms are simplified or minimized, the meaning of halal has the potential to shift from a substantive religious assurance to merely a formal symbol on a product label. This shift can diminish the spiritual dimension of halal assurance, as consumers no longer receive strong assurance regarding compliance with religious requirements. In the long term, this situation can also affect public perception of certification authorities and diminish the normative value of the halal label as a guide to Sharia-based consumption.

Furthermore, within the framework of *ḥifz al-nafs* (protection of consumer life and safety), limited oversight has the potential to increase risks related to product safety, including unclear raw material sources, the possibility of contamination during the production process, and mislabeling that can mislead consumers. These risks relate not only to halal aspects but also to broader consumer safety and health dimensions. Meanwhile, the principle of *ḥifz al-mal* (protection of property) is also impacted when there is an imbalance in compliance standards among business actors. Business actors undergoing a comprehensive certification process must bear greater costs, time, and resources, placing them at a competitive disadvantage compared to those using less stringent mechanisms. This imbalance has the potential to disrupt market fairness, weaken incentives for full compliance, and degrade the overall quality of governance in the halal industry.

3.3.2 Islamic Economic Ethics

Islamic economic ethics emphasize honesty (*sidiq*), trustworthiness (*amanah*), and accountability (*mas'uliyah*). While self-declare presumes ethical conduct on the part of business actors, governance systems cannot rely solely on moral assumptions. Ethical behavior in Islamic economics is supported by institutional safeguards that reinforce moral responsibility.

The analysis indicates that without institutional reinforcement, self-declare places excessive ethical burden on individual actors, thereby increasing systemic vulnerability. Ethical governance requires structures that support and verify moral conduct, not merely assume it.

Table 1. Ethical and Maqasid Risks of Self-Declaration in Halal Certification

Analytical Dimension	Intended Benefit	Identified Risk
hifz al-din	Simplified access to halal certification	Dilution of religious assurance
hifz al-nafs	Faster market entry for MSMEs	Reduced consumer protection
hifz al-mal	Economic inclusivity	Unfair competition
Accountability	Decentralized responsibility	Blurred liability
Transparency	Procedural simplicity	Erosion of public trust

3.4 Participatory Halal Governance as a Strategic Response

Based on the analytical framework, the findings suggest that self-declaration should not be treated as a standalone certification model. Instead, it should be integrated within a participatory halal governance system that balances efficiency with ethical and religious accountability.

Participatory halal governance emphasizes the importance of multi-stakeholder involvement in the halal supervision and assurance process, not limited to regulators but also encompassing religious authorities, independent auditors, business actors, and the community as end users. This multi-stakeholder involvement enables a more inclusive and multi-layered oversight system, so that responsibility for halal compliance is not centralized in a single institution. Within this framework, each actor has a complementary role, such as regulators in setting standards, auditors in conducting technical verification, business actors in ensuring implementation, and the community in providing social control through feedback and reporting. This approach also strengthens accountability because the certification process can be monitored more openly and participatory.

Furthermore, the implementation of transparency mechanisms supported by digital technology, such as supply chain traceability systems and online platform-based documentation, can improve the clarity of information regarding a product's halal status. Digital traceability makes the verification process more traceable, documented, and accessible to relevant stakeholders. Thus, the participatory governance model can reduce verification gaps arising from regulatory simplification without eliminating the intended efficiency benefits. This approach also contributes to strengthening public trust, maintaining the consistency of

halal standards, and ensuring that procedural simplification continues to go hand in hand with the principles of prudence and accountability in the halal certification system.

Importantly, this model does not reject self-declare outright but reframes it as an entry-level mechanism within a layered governance structure. Such integration aligns with maqasid shariah by safeguarding religious integrity while supporting economic participation.

4. Conclusion

The rapid growth of the halal industry has positioned halal certification as a crucial regulatory instrument to ensure religious compliance, consumer trust, and market integrity. In Indonesia, the introduction of the self-declaration (self-declare) mechanism aims to simplify certification procedures and support micro and small enterprises (MSMEs). This research confirms that the self-declaration scheme should not be positioned as the sole mechanism for halal certification, but rather needs to be integrated into a participatory halal governance model involving regulators, religious authorities, independent auditors, business actors, and community oversight. This collaborative approach is considered crucial to maintain a balance between the need for administrative efficiency and the demands of ethical integrity and religious legitimacy. Within this framework, procedural simplification can still be implemented without neglecting the principles of prudence, accountability, and transparency, which are the foundation of public trust in the halal certification system. Furthermore, multi-stakeholder involvement also allows for the creation of a more comprehensive control mechanism, thereby minimizing potential verification gaps.

The research findings indicate that the self-declaration policy provides tangible benefits in increasing the efficiency of the certification process and expanding access for MSMEs. However, the implementation of this policy also presents a number of governance risks, such as weakened verification mechanisms, reduced institutional accountability, and the potential for a decline in public trust in halal assurance. This situation has sparked debate about halal integrity and clarity of regulatory responsibilities, while also raising questions about whether self-declaration is a regulatory solution, a legal loophole, or a transitional step toward more participatory halal governance. To address these issues, this study uses a qualitative approach with a critical legal perspective that combines doctrinal analysis of halal certification regulations with socio-legal discourse analysis of policy documents, institutional frameworks, and the dynamics of public discourse. The analysis is then enriched through the perspectives of maqasid al-sharia and Islamic economic ethics to assess the alignment between the goal of regulatory simplification and the principles of comprehensive halal assurance.

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