MALAYSIA MODEL: CHALLENGES IN *HALAL* CERTIFICATION

Dato' Dr. Sirajuddin Suhaimee
Director
Malaysia *Halal* Council Secretariat
Department of Islamic Development Malaysia

Mohd Asri Abdullah
Principle Assistant Director
Malaysia *Halal* Council Secretariat
Department of Islamic Development Malaysia

Suraiti Alias
Senior Assistant Director
Halal Management Devision
Department of Islamic Development Malaysia

Abstract

Malaysia at the global stage has always been looked upon as a respected, progressive and highly regarded Islamic country. The development of the halal industry in Malaysia which has successfully penetrated the international halal market, especially in the food sector, has further boosted the country's reputation. Current halal industry landscape in Malaysia focuses not only on the food and beverage sector alone, but also expands in several other sectors such as cosmetics, toiletries, pharmaceuticals, logistics, consumable goods and original equipment manufacturer. The rapid development of halal-related industries has become more diverse and complex. Hence, the development of halal-related industries should be taken seriously to further contribute and generate the country's economic growth.

Keyword: Industry, halal, Malaysia

1.   Introduction

Halal landscape in Malaysia has been gradually formed in 1974 through the development of a number of important components that produce a holistic *halal* ecosystem. This ecosystem is fully supported by the government from the aspects of policy, *halal* certification, industry development, expansion and accreditation. The growth of the Malaysian *halal* industry has shown great potential and further contributed as the country new economic source under the Eleventh Malaysia Plan (11MP) for the period from 2016 to 2020 onwards.

The increasing demand for *halal* products can be observed as the world's Muslim population grows to two billion people in 57 countries with the majority of the communities are Muslims. The rapid development of the global *halal* market is contributed to several supporting factors such as increased population and purchasing power among Muslims worldwide. In fact, the emergence of new *halal* markets is no longer limited to Islamic countries or even Muslim minorities have widened the opportunities of *halal* products. Additionally, raising awareness on *halal* values and interests among non-Muslims also contributes to the development of this industry.

2. Statement of Problem

Halal industry is a very broad and potential industry to develop. Based on the scope and environment of the *halal* industry, the Government of Malaysia has taken a significant approach to promote the growth of the industry comprehensively. Various forms of platform, facilities and incentives have been provided by the government. In line with these goals, the government has given the authority to JAKIM as the central agency in Islamic affairs. The establishment of JAKIM began with the establishment of the National Council for Islamic Religious Affairs (MKI) Secretariat in 1968 with consent from the Conference of Rulers council. In 1974, it was upgraded to the Islamic Affairs Division (BAHEIS) and was placed under the Prime Minister's Department (JPM) (*Halal* Management Division, n.d.).

In line with the country's development and current needs of the Muslim community, BAHEIS was upgraded to a Department which came into force on 1st January 1997 known as the Department of Islamic Development Malaysia (JAKIM). The establishment of JAKIM is seen as one of many platforms in meeting the needs of the Muslim community which is in tandem with the growth and development of the country and Islam as the religion of the Federation. The transformation created by JAKIM is in line with the vision, mission, motto, objective and function of this department in leading towards establishing a superior civilisation of the ummah.

Recently, the *Halal* Management Division and Secretariat of the Malaysia *Halal* Council were two divisions from 19 divisions in JAKIM that are responsible for carrying out the certification and development of *halal* certification policy in Malaysia (*Halal* Malaysia Official Portal, n.d.; Baharudin Othman *et al*., 2016).

There are some issues in discussing JAKIM as the central agency and competent authority in the Malaysia *Halal* Certification in order to make Malaysia as the Global Leader in the *Halal* Industry: —

   i.   How successful is JAKIM in coordinating *halal* certification management which is also run by the State Authority (State Department of Islamic Religious Affairs (JAIN)/State Islamic Religious Council [MAIN])?
   ii.   What has been done to ensure that *halal* certification is always significant with the industry's current development and meets the current needs of consumers?
   iii. What are the measures taken to ensure the success of enhancing Malaysia's *Halal* Certification and becoming a global *halal* leader?

3.   Research Methodology

This article is written with a thorough library research. The researcher seeks to find answers to the study problems through an in-depth library research. The answers are then explained in detail using descriptive analysis. Since this article is a library study investigation, the method is applied using the data collection approach. Only authoritative reference materials and documents are used through revision of reference materials such as meeting results and files in the *Halal* Management Division, journals and others. The intended data include primary (first) and secondary data (second). Included in the category of documents in this study are recommendations, meeting decisions and rules. This method is used to collect information on the history of *halal* certification in the Malaysian context.

4.   History of *Halal* Certification

Halal certification began as early as 1965. Ajinomoto Malaysia Berhad Company is among one of the earliest companies that received *halal* certification from the Selangor Islamic Religious Department (JAIS) (Ajinomoto Malaysia Berhad, personal communication, August 6, 2018). The *halal* certification implemented by JAKIM began in 1974 when the Research Centre, Islamic Affairs Division, the Prime Minister's Department issued a *halal* certification letter to food and beverage products that complied with Islamic law. The Research Centre at that time was responsible as one of the bodies regulating *halal* product certificates besides the State Department of Islamic Religious Affairs (JAIN) who was also implementing *halal* certification with their respective logos.

In 1994, *halal* certification was given in a certificate together with the BAHEIS *halal* logo. In November 2002, the Division of Food Research & Islamic Consumer Goods, JAKIM was established and commenced its operations on 16th January 2003 as a *halal* certification body with the aim of coordinating, issuing and monitoring Malaysia *Halal* Certification and enforcing all *halal*-related regulations in Malaysia.

From that point on, the Government has decided that all *halal* affairs are fully managed by JAKIM's Food Research and Islamic Consumer Goods Division with a new *halal* logo. On 1st November 2005, this division was renamed as the *Halal* Hub Division (*Halal* Malaysia Official Portal, n.d. & Baharudin Othman *et al*., 2016).

Time has witnessed various changes in which *halal* certification production was also handled by *Halal* Industry Corporation Sdn. Bhd. (HDC) in 2008. *Halal* certification was then re-assigned to JAKIM on 1st August 2009 (*Halal* Malaysia Official Portal, n.d. & Baharudin Othman *et al*., 2016). As the responsible authority in Islamic matters in this country, JAKIM through the *Halal* Management Division and Secretariat of the Malaysian *Halal* Council are the main agencies managing *halal* certification and enforcement of *halal* status and the development of *halal* certification policy. In this context, JAKIM has outlined the vision to become a reputable and recognised *halal* certification centre at both national and international levels.

On 3rd December 2018, history once again marked a major change when the *Halal* Hub Division was expanded into two main divisions namely the Secretariat of the Malaysia *Halal* Council (MHC) and *Halal* Management Division (HMD). The *Halal* Management Division manages *halal* certification operations covering domestic *halal* certification and overseas *halal* certification covering inspection of company documents and profiles, product and premise inspections, *halal* certificate production, *halal* monitoring and enforcement, *halal* analysis centre and *halal* certification advisory programmes and promotion of certification and *halal* awareness. Meanwhile, the Malaysian *Halal* Council Secretariat manages the development of *halal* certification policy as well as development and implementation of international *halal* and multilateral *halal* programmes (Official Portal Department of Islamic Development Malaysia, n.d.).

5.   Challenges of *Halal* Certification

a.   *Halal* Certification Coordination

Apart from JAKIM, the State Department of Islamic Religious Affairs (JAIN) also implements *halal* certification. In the process of issuing *halal* certificates, assessment is

carried out on all products, food premises and slaughterhouses that provide food for Muslims. The assessment aspect is based on Shariah law and guidelines provided.

Prior to 2013, each state implemented *halal* certification with different guidelines and procedures. The same applied to the fees charged for the certification fee. This situation is rather difficult and burdensome to the industry. There were complaints received from the industry and recommended that *halal* certification role functioned by JAKIM and State Islamic Departments to collaborate. The Cabinet meeting dated 7th May 2003 further agreed that the *halal* certification function to be merged between JAKIM and MAIN/JAIN (Department of Islamic Development Malaysia, 2010; File of the Cabinet Meeting, n.d.).

The standardisation of *halal* management between JAKIM and JAIN was implemented from 2013 after receiving consent from the 22nd Conference of Rulers Council on 13th–14th October 2010 (File of Conference of Rulers Council, n.d.). This initiative has successfully standardised the use of certificates, logos, standards and procedures, and processing fees via online applications. It also includes extending the use of the MYe*HALAL* system, a comprehensive online *halal* certification management system throughout Malaysia.

Malaysia *Halal* Certification offers two categories of applications which are domestic and international *halal* certification. For domestic application, there are eight application schemes currently offered, namely: (Manual Procedure for Malaysia *Halal* Certification [MPMHC], 2014; Meeting File of the *Halal* Certification Advisory Committee of Malaysia, n.d.).

    i.   Food Product/Beverage/Food Supplement;
    ii.   Food Premise/Hotel;
    iii.   Consumer Goods;
    iv.   Cosmetics and Personal Care;
    v.   Pharmaceutical;
    vi.   Slaughterhouse;
    vii. Logistics (Warehousing, Transport, Retailing); and
    viii. Original Equipment Manufacturer.

Based on current needs and conditions, this certification scheme will grow in tandem with technological advancement and current demand. In fact, the *halal* industry in Malaysia has the ability to penetrate the international *halal* market and has its own credibility and integrity to attract demand for *halal* products and services from the growing Muslim world. World recognition has placed Malaysia as a major global reference centre.

The coordination mechanism between JAKIM and JAIN in *halal* management is translated through regular meetings, workshops and related trainings. Among regular meetings held were the Conference of Heads of Departments / State Islamic Religious Council of Malaysia and the Malaysia *Halal* Certification Executing Committee Meeting. The result of this standardisation has greatly benefited the growth of the *halal* industry and effective performance monitoring. It has been successfully implemented as a result of the involvement and cooperation of the State Religious and Federal Government Agencies (Meeting file of the *Halal* Certification Advisory Committee of Malaysia, n.d.).

b.   Authoritative Organization

The Trade Descriptions Act 2011 (Act 730), the Trade Descriptions (Certification and Marking of *Halal*) Order 2011 has named JAKIM and the State Islamic Religious Council (MAIN) as the Authoritative Authority to issue *halal* certificates in Malaysia (Federal Government Gazette, 2011). JAKIM and the Council / Islamic Religious Affairs Department (MAIN/JAIN) are the Authorised Authorities in the issuance of Malaysia's *Halal* Certification Certificate as stated in Section 3 of the Trade Descriptions Act 2011 (Lembaga Penyelidikan Undang-Undang, 2013).

The authorisation makes JAKIM and MAIN / JAIN as Malaysia's *Halal* Certification Leader. Along with the situation, the coordination efforts between JAKIM and MAIN / JAIN have been initiated and comprehensive coordination was achieved in 2014 (File of Malaysia State Assembly of the Heads of State [Religious Assemblies], n.d.).

Beginning from that moment, every development of Malaysia *Halal* Certification is implemented in tandem with the growth of industry and meeting demands of customers. *Halal* certification is a catalyst for the existence and success of the *halal* industry in Malaysia. It has the capability to contribute to the country's economic development, as it becomes a policy agenda in the Third Industrial Master Plan 2006–2020, the *Halal* Industry Master Plan 2008–2020 and the Eleventh Malaysia Plan (*Halal* Management Division, n.d.).

c.   *Halal* Certification Improvement Process

JAKIM as the responsible Islamic authority in the country, through its *Halal* Management Division and the Malaysian *Halal* Council Secretariat, are the main agencies that manage the development of policy, certification and enforcement of *halal* status. In this context, JAKIM has outlined the vision to become a credible and recognised *halal* certification centre at the national and international level, field auditing and organizing conference of *Halal* Certification bodies worldwide (Meeting file of the *Halal* Certification Advisory Committee of Malaysia, n.d.).

As an early player in the *halal* field, Malaysia will always strive to implement high impact initiatives to maintain its position as a leading *halal*-related industry. The *halal* concept now is no longer limited to one guiding principle in the supply chain of *halal* products but has already covered the entire *halal* ecosystem.

For example, the Cadbury issue that hit the country in the past was an example where consumers wanting the *halal* integrity to be preserved throughout the product supply chain. Hence, there is a need for continuous information and promotion efforts aimed at providing an understanding of *halal* concepts to consumers in the country (Othman Mustapha, 2014).

Hence, JAKIM and MAIN/JAIN are committed to making improvements to the process of issuing Malaysia *Halal* Certification from time to time. The quality of Malaysia *Halal* Certification management has also been upgraded thus benefitting the *halal* industry in Malaysia. Nevertheless, Malaysia *Halal* Certification has often been addressed with delays and inefficiency issues. In addressing such issues, various methods and mechanisms have been put in place to empower Malaysia *Halal* Certification in the mainstream.

JAKIM as the central agency at the Federal level is responsible for ensuring the quality and integrity of *halal* certification services with the support and cooperation of other government agencies such as the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU), the Economic Planning Unit (EPU), the Department of Standards Malaysia (JSM), *Halal* Industry Development Corporation (HDC), Ministry of Health Malaysia (MOH), Ministry of Domestic Trade and Consumer Affairs (KPDNHEP) and other agencies.

In an effort to empower the governance of *halal* management towards enhancing the country's capability as a global *halal* hub, JAKIM together with the Department of Standards Malaysia, HDC and several government agencies led by MAMPU have been entrusted through the Meeting of the Special Task Force on Business Facilitation (PEMUDAH) with *halal* certification issues. Following that, the *Halal* Certification Management Focus Group (FGPPH) was established on 6th July 2009 and chaired by MAMPU Director-General with a focus on improving the efficiency and effectiveness of *halal* certification management in Malaysia (MAMPU, 2015).

As a result of discussions and workshops held together with the agencies involved, MAMPU through its *Halal* Certification Management Focus Group (FGPPH) function has proposed several improvements to *halal* certification management. Generally, the submitted proposals are oriented towards the effort to shorten the processing period of *halal* certificates from 90 days to 30 days. This success has been documented in a book entitled "Initiative and Impact of Implementation of the *Halal* Certification Management Focus Group" which was published by MAMPU in 2012 (MAMPU, 2015). The Business Process Reengineering (BPR) of *Halal* Certification Management has been implemented from 2010 to 2013. Through the initiative, *halal* certificates have been targeted to be issued within 50 working days subjected to the stipulated conditions.

The achievement of FGPPH can be measured by improvements that have been successfully implemented, among others:

i.   The preparation of manual for filling application form to make it easier for customers to clearly understand the procedure thus reducing dependence on officers at JAKIM's *Halal* Hub;

ii.   Guides to fill out forms online;

iii.   The use of bilingual (Bahasa Malaysia and English) on *halal* portal;

iv.   Provides a standard checklist for review, field audit reporting and generic and standardised monitoring;

v.   Update of Standard Operating Procedure (SOP) auditing;

vi.   Early notification of Compliance Audit which is a week before the audit date; and

vii.   Suggests frequency of the Malaysian *Halal* Confirmation Panel meeting to be held once every 2 weeks compared to once a month.

As part of continuous improvement, FGPPH Meeting No. 1 of 2014 dated 14th July 2014 has decided that the Workshop on the Management Mechanism and *Halal* Governance of Malaysia will be implemented. The outcome of this workshop has been coordinated and aligned to support the preparation of the 11th Malaysia Plan document realising that the *halal* sector has been identified as one of the key sectors to generate the country's economy (MAMPU, 2015).

Halal Certification Instant Initiative (ISPHM) production enhancement initiatives were being implemented with more focus on 1st August 2016. The new initiative series has undergone several phases of implementation improvement. On 21st June 2017, the results of improvements have been made to speed up the process of ISPHM approval within one to three days. It is a result of a more systematic update of Malaysia *Halal* Certification process stream. This initiative is named as "Malaysia's *Halal* Certification Instant Initiative" (ISPHM) (Meeting file of the *Halal* Certification Advisory Committee of Malaysia, n.d.).

The achievement through ISPHM at JAKIM level has proven to be a strategic move and has created a win-win situation between the *Halal* Certification Authority and the industry. The process was well-received at the 105th Malaysia State Assembly of the Heads of State (Religious Assemblies) Meeting on 15th May 2018 and to be extended to states (File of Malaysia State Assembly of the Heads of State, n.d.). It seeks to bring about *halal* certification process without undermining the integrity, principle and confidence of customers through newly generated mechanisms.

Concurrently, JAKIM also assisted the *halal* verification process in the states through *halal* verification panels of states. JAKIM also assisted in solving applications in the states for the abundance of application in order to overcome the delay in *halal* certification process as well as to avoid complaints from the industry. JAKIM from time to time has taken strategic steps to solve related problems. Among them is through the establishment of a 'task force' to the states or by applying for JAKIM to be processed by JAIN's approval.

Among other improvements that are already taking places are improvement of the MYe*HALAL* system and the development of *Halal* Verified Engine (HVE). HVE is a centralised database of certified products or raw materials or certified *halal* from *Halal* Certification Bodies recognised by JAKIM around the world. In addition, there is a *halal* premise tracking system implemented through mobile applications namely *Halal* Square and social networks which are *Halal* Inside, Verify *Halal* and Smart *Halal* (File of Corporate Communication Section, n.d.).

d. Improved Competence of *Halal* Auditor by MAIN / JAIN

Taking into account the ever-expanding *halal* industry development, the training aspect to officers as *halal* auditors has always been a priority. Thus, a committee was formed which was known as the *Halal* Professional Boards (HPB). The *Halal* Professional Boards (HPB) gets its administrative approval based on the decision of the 58th Malaysian Islamic Religious Affairs (MKI) Meeting on 15th December 2014 (File of Malaysian Islamic Religious Affairs, n.d.).

The Committee is set up to oversee any planning and policy related to *halal* training. This is to ensure the level of competence and quality of *Halal* Professionals and *Halal* Training Providers is well-maintained for the public interest. The measure includes the development of a comprehensive curriculum and individual assessments that are directly involved in controlling *halal* integrity in the field.

The competence of a *halal* auditor is enhanced through the organization of courses, workshops and related seminars. JAKIM has formulated Training Road Map for *halal* management implemented by the Malaysian Islamic Training Institute (ILIM) through the

Training Operational Plan (TOP) programme. It aims to improve the competence and professionalism of JAKIM and JAIN-related *halal* officers. This structured training will be further enhanced by providing the *halal* auditor competency module based on the certification scheme (File of Training Section, n.d.). At the same time, JAKIM also provides the opportunity for JAIN's *halal* auditors to participate in auditing of overseas factories including food products, pharmaceuticals, cosmetics and slaughterhouses. This involvement will be able to provide exposure and increase the competence of *halal* auditors in every state. Competent and skilled auditors will be able to assist the industry in the state (File of International Strategic Division, n.d.).

e. Malaysia International *Halal* Certification

JAKIM also implemented the International *Halal* Certification based on the decision of the Cabinet Meeting on 14th October 2011 (File of the Cabinet Meeting, n.d.). For Malaysia International *Halal* Certification, JAKIM is involved in 3 categories of auditing as follows: —

i. Auditing of slaughterhouse and animal-based product processing establishment for import purposes as raw materials to Malaysia which is also known as slaughterhouse auditing;

ii. Auditing of the Foreign *Halal* Certification Bodies for recognition purpose which monitors Malaysian approved establishment which is also known as the Foreign *Halal* Certification Bodies audit; and

iii. Auditing of a product processing plant applying for Malaysia International *Halal* Certification. This audit is based on an application by a Malaysian company applying for a Malaysian *halal* certificate for their manufactured products abroad which is also known as international application audit.

f. Recognition of *Halal* Certification Bodies

JAKIM has recognised 84 Foreign *Halal* Certification Agencies covering 46 countries around the world. The recognition is based on compliance and implementation of *Halal* Standards that meet the requirements set by Malaysia. This recognition aims at meeting procedures set by Malaysia *Halal* Certification that require imported ingredients to be *halal* certified by recognised bodies (File of International Strategic Division, n.d.; *Halal* Malaysia Official Portal, n.d.).

Malaysia *Halal* Certification has been recognised internationally. Recognition of Malaysia *halal* certificates and logos at the international level is closely related to market access. Starting in 2009, JAKIM has been organizing a *Halal* Certification Body Convention annually to ensure that international *halal* certification bodies take Malaysia *Halal* Certification System as a highly trusted model.

In addition, this convention is a training platform for competency enhancement of recognised bodies. This initiative has brought positive results on the progress and capabilities of these agencies. Increased participation of International Certification Bodies in the Overseas Islamic Bodies Conference programme organized annually is an indication of encouraging acceptance of Malaysian *Halal* standard by foreign countries (File of International Strategic Division, n.d.).

This conference is a forum for Malaysia to share and gather information, to inform the latest developments of *Halal* Malaysia and to harmonise differences among certification bodies involved.

g. *Halal* Approved for Overseas Slaughterhouse Establishment

Halal certification for application of foreign slaughterhouse for importation to Malaysia is upon a decision from the Cabinet Meeting on 14th October 2011 (File of the Cabinet Meeting, n.d.). All meat and meat-based products (including poultry) intended to be imported to Malaysia must be *halal* certified by the recognised Foreign *Halal* Certification Bodies. Also, the plants must be inspected and approved by JAKIM & Department of Veterinary Services (DVS) which shall be in compliance with The Malaysian Protocol for *Halal* Meat and Poultry Productions and MS 1500: 2009.

Import and export procedures for animal products, meat and meat-based products, biological materials and animal feeds are subject to the Animals Act 1953 (Revised 2006) and the Animal Feed Act 2009. JPVM also provides for *halal* verification requirements to be implemented by the Foreign *Halal* Certification Body recognised by Malaysia as a prerequisite for applications.

This application process will involve inspections to be carried out by JPVM and JAKIM as specified in the Import Regulation for the Importation of Meat and Meat Products. A joint inspection is carried out by JPVM and JAKIM officers where JPVM officers will examine aspects of health and safety. While JAKIM officers as Sharia auditors will examine aspects of Sharia compliance based on The Malaysian Protocol for the *Halal* Meat and Poultry Productions 2011 and Malaysian Standard 1500: 2009 (The Malaysian Protocol for the *Halal* Meat and Poultry Productions, n.d.).

The result of slaughterhouse inspection for approval is upon the decision made by Jawatankuasa Teknikal Pengiktirafan Abatoir/Loji Pemprosesan Luar Negara (JTPALLN) managed by JPVM.

h. Auditing of Product Processing Plant

The integrity and credibility of Malaysia *Halal* Certification are recognised at the international level with commercial value in promoting *halal* products. However, the application of Malaysian International *Halal* Certification is open only for applicants within the country. The benefits and high value of Malaysia *Halal* Certification encourage many overseas industries to apply for Malaysia *Halal* Certification.

The Cabinet on 14th October 2011 has agreed for JAKIM to conduct international inspection activities for Malaysia *Halal* Certification applications by companies in Malaysia whose products are manufactured overseas. Applications for Malaysia International *halal* certification can only be applied for ingredients, non-animal products or food.

Field audits are performed to check the standards and procedures adopted in accordance with the Malaysian *halal* standards. The inspections include system assessment, *Shariah* compliance, ingredient documents and supporting documents as well as domestic products (File of Audit Section, n.d.).

i.   *Halal* Attaché

JAKIM has placed an Islamic Affairs officer in Australia as a *Halal* Attaché officer since 2008. The main task of the *Halal* Attaché is to monitor the slaughterhouse for meat and meat-based products imported to Malaysia. In addition, the officer also supervises the *halal* certification bodies in the country as well as provide industry advice to launch *halal* certification in Malaysia. The designation of *Halal* Attaché also helps to launch Malaysia *Halal* certification.

The role of the Malaysian *Halal* Attaché does not overlap with the existing agricultural and trade attache designations. The designation of the Malaysian *Halal* Attaché focuses on the implementation of Sharia compliance and also the need for legal determination in relation to legal views whereby such expertise is only available in JAKIM (File of Human Resource Division, n.d.).

j.   World *Halal* Centre

Malaysia targets the year 2020 to become a global *halal* benchmark. Various approaches, initiatives and programmes have been implemented to realise the aspirations by various agencies involved in the *halal* sector. JAKIM has been given the responsibility of representing the Federal Government to manage *halal*-related affairs at the international level. These include the efforts to promote Malaysia *halal* ecosystem and to gain global recognition as *halal* certification model.

JAKIM through its Malaysia *Halal* Council Secretariat actively involves in various international platforms to help other countries develop the *halal* management system. This effort includes establishing a *halal* certification system, capacity building and standard development. These efforts alone are inadequate to maintain Malaysia as the world's *halal* leader. More proactive measures have been taken to establish closer cooperation networks among foreign *halal* authorities and international *halal* certification bodies, thus giving Malaysia the opportunity to lead the cooperation network.

Among the efforts are JAKIM has established the International *Halal* Authority Board (IHAB) Secretariat to incorporate multi-country *halal* authorities into one platform. This effort can be seen as their capability in creating collaborative links towards harmonisation of *halal* systems and standards. The IHAB will also focus on the strengthening and recognition of fellow member countries and facilitators in promoting the signing of understanding among countries involved.

Indirectly, IHAB becomes the platform in strengthening Malaysia's position as a global *halal* leader across existing agreements through the recognition procedure of *halal* certification bodies abroad. The Malaysia *Halal* Council meeting on 1st June 2017 (MHCS, JAKIM – Meeting File of the Malaysia *Halal* Council, n.d.) agreed with the establishment of the IHAB and was also approved by the Cabinet on 7th June 2017 (File of the Cabinet Meeting, n.d.).

The efforts undertaken by JAKIM at the international level are in the relationship ties between governments either bilateral or multilateral. Bilateral ties between Malaysia and other countries are tied with a memorandum of understanding to be followed by both

countries. An example of this is the Malaysia-Australia Agriculture Cooperation Working Group (MAACWG) agreement relating to agriculture, including agreements relating to the approval of slaughterhouses that placed a Malaysian *Halal* Attaché in Australia.

JAKIM is also responsible for providing feedback on *halal*-related issues raised at the World Trade Organization (WTO) Trade Policy Review. JAKIM also jointly made Malaysia *halal* standard notification to the WTO. In fact, Malaysian standards and requirements have been accepted as a WTO map standard and have been posted on the International Trade Center (ITC) website since 23rd October 2015 through a book entitled "*From Niche to Mainstream Halal Goes Global*" (International Trade Centre, 2015).

The participation of Malaysia as a member of The Standards and Metrology Institute for Islamic Countries, OIC (SMIIC) is a significant beginning to the introduction, strengthening and dissemination of Malaysia *Halal* standard, hence making the Malaysia *Halal* standard as the world *halal* reference. The ultimate goal is for Malaysia to lead SMIIC in the future (File of Cabinet Meeting, n.d.).

In addition to SMIIC, JAKIM also plays an active role in strengthening Malaysia *Halal* certification in platforms such as the World Trade Organization (WTO), the International Trade Centre (ITC), the *Halal* Technical Committee of Malaysia, Brunei, Indonesia, Singapore for the Unofficial Meeting of Religious Affairs Ministers of Brunei, Malaysia and Singapore (MABIMS), Asean Working Group on *Halal* Food (AWGHF) and Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) Working Group on *Halal* Products and Services (WGHAPAS).

As a global *halal* certification model, JAKIM is also involved in providing technical training and expertise related to certifications, standards and *halal* products development to *halal* certification bodies and international manufacturing companies. JAKIM's direct involvement can be seen in helping develop a *halal* certification body in most Muslim minority countries. Among them are Japan, South Korea, the Philippines, Bosnia and Herzegovina, Poland, Austria, Ireland, Kazakhstan, Cambodia and others.

Great trust was given to Malaysia when JAKIM and several government agencies such as the Ministry of Tourism, Ministry of International Trade and Industry, MATRADE, Bank Negara, HDC and others were directly involved in providing *halal* consultation services to the Japanese government in conjunction with the 2020 Olympic Games. The strategic plan was developed specifically for the Japanese *halal* development programme called the "Malaysia-Japan *Halal* Advisory Roadmap Programme".

Recognising that Malaysia has extensive experience in certification and development of *halal* standards, invitations are often accepted from relevant parties abroad to share their existing expertise.

k.   Malaysia *Halal* Analysis Centre (MyHAC)

The rapid development of technology in the production of food products either processed or in raw form has raised issues related to *halal* and *haram* which could inflict damages on consumers, especially Muslim consumers. It is sometimes often contaminated with Sharia

prohibited material and harmful substances. The *halal* certification implemented by JAKIM and JAIN incorporates both elements of Islamic law and technical.

Hence the high level of integrity in ensuring that Malaysia *halal* certification products are not merely research on document and field audits alone. It also includes scientific analysis in laboratories for confirmation of an unknown ingredient of its *halal* status.

Committed with the integrity of Islamic law, safety, quality and hygiene aspects of a product as well as consumer confidence in *halal* certification, the government has set up the Malaysia *Halal* Analysis Centre (MyHAC). The construction of the first *halal* laboratory of its kind in the world proves that the government prioritises the implementation and achievement in the development of a comprehensive Islamic development. The construction of this *halal* analysis laboratory is an initiative to uphold the *halal* industry in the international arena (File of *Halal* Administration, n.d.).

MyHAC is developed for special use by JAKIM and JAIN and Foreign *Halal* Certification Bodies. MyHAC lab will offer analysis of fat, oil, protein, gelatin, alcohol, fibre, skin, fur, Deoxyribonucleic Acid (DNA) and Genetically Modified Organizms (GMO). The lab was officiated by YAB Deputy Prime Minister of Malaysia on 29th March 2018.

l.   Establishment of the Malaysian *Halal* Council

By looking at these challenges and opportunities, a coordinated platform for empowering and enhancing *halal* industry development initiatives was holistically created to create a new Malaysia *halal* industry in the world, through the establishment of the Malaysia *Halal* Council (MHC). The establishment of MHC on 11th February 2016 was officially approved by the decision of the Cabinet Meeting on 8th June 2016 (File of Cabinet Meeting, n.d.). It has also been approved by the Council for the 61st Malaysian Islamic Religious Affairs (MKI) Meeting on 28th June 2016 as well as the consent of the 248th Council of Rulers on 8th February 2018 (File of Malaysian Islamic Religious Affairs, n.d.).

The establishment of MHC aims to maximise the role of existing agencies (342 agencies) at Federal and state levels according to their respective jurisdictions and functions. The platform also aims at coordinating initiatives that contribute towards the improvement of the nation's socio-economic and internationalisation agenda.

MHC is responsible for coordinating the development of the *halal* industry through the following approach (MHCS, JAKIM – Meeting File of the Malaysia *Halal* Council, n.d.):

(i)   recommend strategic policies and measures on management and development of the *halal* industry;

(ii)   coordinate the *halal* industry management and development initiatives to maintain Malaysia as a global *halal* leader;

(iii)   promote the participation and role of the private sector in supporting the development of *halal* industries at the state and country levels; and

(iv)   propose any other functions relating to *halal* management and development in accordance with the requirements and subject to the current Government policy and the provisions of applicable law.

MHC membership is comprised of stakeholders at the Federal and State Government level and representatives appointed by the Palace. MHC is chaired by the Honourable Deputy Prime Minister, while the Director-General of JAKIM was appointed as MHC Secretary.

Five (5) initiatives were introduced which would be the action plan and agenda of the Malaysian *Halal* Council for the period 2018 to 2020, namely (MHCS, JAKIM – Meeting File of the Malaysia *Halal* Council, n.d.):

(a) The enhancement of the *Halal* Professional Board (HPB), a Committee which functions to regulate the direction of recognised *halal* professional development;

(b) The establishment of the International *Halal* Authority Board (IHAB), a secretariat to standardise and harmonise the *halal* certification process among member countries.

(c) The setting up of the *Halal* International Research Academy (HIRA), a functioning secretariat for collecting and developing *halal*-related research to become a catalyst for research and development efforts in the *halal* industry;

(d) The establishment of the Malaysia International *Halal* Academy (MIHA), which is the centre of consultation and development of *halal* executive programmes through the development of the *halal* capacity to keep pace with the current scenario through the implementation of overseas training, *halal* assessment and consultation.

(e) The setting up of the *Halal* Innovation and Technology Centre (HITeC), the centre that will collect the design and technology associated with the *halal* industry to be marketed and developed.

The plan involves various ministries/departments/agencies to ensure that existing initiatives are not marginalised and their implementation will use strategic collaboration approaches. The plan will also take into consideration the *halal* development plans that are being developed and will be amongst them the *Halal* Policy of the State. To ensure that it is on schedule, JAKIM has made internal restructuring through the establishment of the Malaysian *Halal* Council Secretariat and established special units responsible for ensuring the establishment of HPB, IHAB, HIRA, MIHA and HITeC are in good working order.

m. *Halal* Awareness Campaigns and Promotions

The *halal* awareness campaign and promotion programme is an organized way to deliver the message of *halal* importance to the community. This public education campaign is held in series and one-off. At the same time, JAKIM *Halal* Management Division also runs campaigns through printed materials as well as new media, among them via the *Halal* Hub Division Facebook medium, new applications such as *Halal* Inside and *Halal* Square.

Among the *halal* awareness programmes and campaigns are *Halal* Walkabout & Treasure Hunt, Seminar on 'Confidence in Malaysia *Halal* Certification', the first forum, such a programme is held nationwide either through cooperation and collaboration with

federal-level agencies or state authorities agencies as well as the industry (File of Corporate Communication Section, n.d.).

n.   *Halal*-Related Legislation

Currently *Halal*-specific laws have not been established to control and enforce offences related to *halal* products that can be identified as '*Halal* Act' (Jafri Abdullah, n.d.). *Halal* enforcement implemented by the government currently depends on a number of different laws, whether it is directly or indirectly related to the control of *halal* products and is enforced by different agencies.

Generally, *halal*-related legislation or regulations are about 192 laws / regulations. In general, these laws and regulations can be divided into six categories: —

First, the laws and regulations are related to the control of *halal* logos, signs and debates namely the Trade Descriptions Act 1972/2011 and the Sharia Criminal Acts/Enactments (Jafri Abdullah, n.d.).

Second, the law relates to imported meat control namely the Animal Act (Revised) 2006, Animal Regulations (Importation) Act 1962, Customs Act 1967, Import Prohibition Order 1988. The law is used by the Government to control imports of meat and animal-based products into this country by ensuring that the product is *halal*, safe and free from any illness. This is in line with the Government's decision in 1982 which stipulates that all imported meat into the country must be *halal*. As a precautionary measure, the Government stipulates that any consignment to be brought into the country must first obtain an Import Permit or any written permission from the Department of Veterinary Services (JPV). The Import Permit is only granted to products which have been inspected and approved by the Religious Authorities (JAKIM) as specified in the Import Protocol (Jafri Abdullah, n.d.).

Third, the law on food safety and hygiene controls is part of the *halalan tayyiba*'s concept under the Food Act 1983 and Food Regulations 1985. In addition to food cleanliness and safety controls, there are several provisions of the Food Regulations 1985 which are directly related to *halal* aspects (Jafri Abdullah, n.d.).

Fourth, the law under *Halal*-related Local Authorities (PBT) involves the Local Government Act 1976 (Act 171) and By-Laws of 149 local governments throughout the country. It involves the registration of premises for PBT licenses.

Fifth, The Consumer Protection Act 1999 provides legal protection to consumers other than the Sale of Goods Act 1957 and the Contracts Act 1950. Section 8 and 10 of this Act expressly specify any act that may cause the user to be misled by fraud or false statements against *halal* labels on any product is an offence. This Act indirectly deals with *halal* labelling matters (Norazla Abdul Wahab *et al*., 2015).

Sixth, the penal code is also a law that can indirectly be linked to *halal* product matters. Section 415 provides that anyone who dishonestly attracts people to buy and

pay issuance is considered as fraudulent and may be punishable by imprisonment of not more than five years or fine or both.

Generally, JAKIM is a body involved in *Halal* certification and enforcement in Malaysia. Nevertheless, JAKIM is not alone and it is supported by several other agencies in which each agency has its own roles, jurisdictions and legislations.

o. Empowering States in Malaysia *Halal* Industry Development Agenda

The strength and uniqueness of the *halal* ecosystem in Malaysia is due to its management that remains in regulatory and government governance. Since Islamic affairs belong to the exclusive power of the Malay Rulers in accordance with the Federal Constitution, *halal*-related affairs are always preserved under the jurisdiction of the states. Hence, the involvement of State Religious Authorities in the *halal* industry is no longer limited to certification activities (File of Cabinet Meeting, n.d.).

These strengths and uniqueness should be reinforced with more active involvement of the State Religious Authorities to boost the development of the *halal* industry in their respective states. Every state has the strengths of their respective economic resources which, if the focus is given on aspects of *halal* development, will definitely boost economic returns in the state.

In point of fact, the development of the *halal* industry is not limited to the production of food products alone. There are abundant opportunities to venture into *halal*-related activities in every *halal* product manufacturing chain with a wide range of product environments. Apart from manufacturing, there are many activities that can be pursued into business networks such as warehousing, transportation, retailing and others. Moreover, at the moment *halal* certification has extended its scope that covers the *Halal* Logistics Certification Scheme which will be a catalyst for the growth of the *halal* industry in various fields (MPMHC, 2014).

Nevertheless, the ability of State Religious Authorities to facilitate *halal*-related businesses in their respective states is very important in improving the *halal* industry for economic and social development. Preparation and maintenance of existing infrastructure, supply of basic facilities, licensing, ownership or rental of land and premises that are proprietary at the state level will support the development of the *halal* industry in the state. Indirectly, the *halal* industry's contribution will attract more competitive economic returns to the states (File of Malaysian Islamic Religious Affairs, n.d.).

p. The Importance of *Halal* Industry in Social Aspects

Halal products are important to all Muslim consumers. Nonetheless, non-Muslim consumers are now aware of the importance of *halal* products in their daily lives. This awareness contributes to the growth of production for potential *halal* products due to increasing demand for *halal* products in the country.

Halal is not limited to one 'guiding principle' in the supply chain of *halal* products, but it has covered the entire *halal* ecosystem itself. Therefore, it is important to increase the level of understanding on the *Halalan-Thoyyiban* concept among consumers in the country. In addition, risk action plans need to be streamlined for better management in the future. Next

with an effective communication strategy, Muslim and non-Muslim consumers will be aware on the importance of *halal* value in life, have confidence in it and will use more *halal* products and services. Indirectly, this scenario will bring a positive impact on sales of *halal* products and services.

q.   Scenario of *Halal* Industry Development in Malaysia

In effect, Malaysia's *halal* industry has the ability to penetrate the international *halal* market and has its own credibility and integrity to attract demands for *halal* products and services from the growing Muslim population all over the world. World recognition has placed Malaysia as a major global reference centre.

Nevertheless, the achievement of integrity alone is simply not enough to maintain and strengthen Malaysia to remain as the world's *halal* leader. Even though *halal* management in the country has been stable in terms of standards and certification, there are still some identified challenges that need to be addressed to drive Malaysia *Halal* industry to a better level. Some of the challenges are;

There are 342 agencies including 166 federal and 176 state-level agencies involved directly and indirectly in the Malaysian *halal* landscape (File of Cabinet Meeting, n.d.).

i.   These agencies include State Islamic Religious Departments, local authorities and the State Economic Planning Unit. Most of these agencies carry out their roles according to their respective jurisdictions and their functions seem to be underutilised. As an example of industrial development, it is mobilised by the Ministry of International Development and Industry (MITI) and its related agencies, Ministry of Rural and Regional Development and agencies under it, Ministry of Agriculture and Agro-based Industry, Ministry of Economy and *Halal* Industry Development Corporation (HDC). On the other hand, financial donation is provided by 9 federal agencies such as the Economic Planning Unit (EPU), TERAJU, TEKUN and others. Technology development involves 3 federal agencies such as the Ministry of Energy, Science, Technology, Environment & Climate Change, Communications and Multimedia Commission and Malaysian Technology Development Corporation (MTDC);

ii.   Undoubtedly the *halal* certificate and logo are an important asset in the *halal* company. Yet there are many other factors to be taken into consideration including the quality of products that meets the ever-changing dynamics, branding, promotions and sustainability of market requirements that are in line with market demand. This requires exploration of technology development through research and development initiatives;

iii.   The latest statistic number of SPHM holders among Bumiputeras is still low (34%) compared to (66%) SPHM holders among Non-Bumiputera for 3 years (*Halal* Malaysia Official Portal, n.d.)

Hence, the *halal* landscape in Malaysia has been gradually formed in 1965 through the development of a number of important components that produce a holistic *halal* ecosystem. It is the result of commitment by all parties at the Federal level as well as State Authorities.

6. Conclusion

The management of *Halal* certification will continue to give their commitment and enhance the delivery of *halal* services comprehensively to all, whether to the industry, society and stakeholders. Indirectly, the *halal* agenda has become one of the *da'wah* media spreading globally with effective strategies carried out by Malaysia that can be fully accepted by all societies, especially the international community.

References

Baharudin Othman, Sharifudin Md. Shaarani & Arsiah Bahron (2016). Testing and validating measurements for *Halal* requirement practices among food industries in Malaysia. *Quest Journals - Journal of Research in Business and Management*, *4*(2), 27–28.

Department of Islamic Development Malaysia. (2010*). Coordination Workshop Report on Halal Certification Implementation Issues between JAKIM and MAIN.*

Federal Government Gazette. (2013). *Trade Description Act 2011 (Act 730), Trade Description (Certification and Marking of 'Hala'l) Order 2011*. Putrajaya: Attorney General's Chamber.

File of Audit Section. (n.d.)*. Halal* Management Division, Department of Islamic Development Malaysia.

File of Cabinet Meeting. (n.d.). *Halal* Management Division, Department of Islamic Development Malaysia.

File of Conference of Rulers Council. (n.d.)*. Halal* Management Division, Department of Islamic Development Malaysia.

File of Corporate Communication Section. (n.d.)*. Halal* Management Division, Department of Islamic Development Malaysia.

File of Halal Administration. (n.d.)*. Halal* Management Division, Department of Islamic Development Malaysia.

File of Human Resource Division. (n.d.). Department of Islamic Development Malaysia.

File of International Strategic Division. (n.d.)*.* Malaysia *Halal* Council Secretariat, Department of Islamic Development Malaysia.

File of Malaysian Islamic Religious Affairs. (n.d.). *Halal* Management Division, Department of Islamic Development Malaysia.

File of Malaysia State Assembly of the Heads of State (Religious Assemblies). (n.d.)*. Halal* Management Division, Department of Islamic Development Malaysia.

File of Training Section. (n.d.)*. Halal* Management Division, Department of Islamic Development Malaysia.

Halal Malaysia Official Portal. (n.d). *Halal History*. Retrieved May 5, 2020, from http://www.*halal*.gov.my/v4/index.php.

Halal Management Division. (n.d). *The Malaysian Halal Certification-statistics.* Retrieved March 13, 2019 from http://sistem.*halal*.gov.my/mye*halal*/admin/index.php

International Trade Centre. (2015). *From niche to mainstream — Halal goes global.* Retrieved March 14, 2019 from http://www.intracen.org/publication/From-niche-to-mainstream---*Halal*-Goes-Global/

Jafri Abdullah. (n.d.). Tadbir urus pematuhan syariah dalam industri *halal*: kekuatan, cabaran dan masa depan. In *Kompilasi kertas kerja muzakarah ahli penasihat syariah institusi kewangan di Malaysia*. Putrajaya: Department of Islamic Development.

Lembaga Penyelidikan Undang-Undang. (2013). *Trade Description Act 2011 (Act 730), Regulations and Orders*. Selangor: International Law Book Services.

Manual Procedure for Malaysia Halal Certification (MPMHC) (3rd ed.). (2014). Putrajaya: Jabatan Kemajuan Islam Malaysia.

Malaysia Administrative Modernisation and Management Planning Unit (MAMPU). (2015, October). *Role of MAMPU in empowering halal certification management towards increasing Malaysia's capabilities as global halal hub in MAMPU bulletin, 3.*

Meeting File of the Halal Certification Advisory Committee of Malaysia. (n.d.)*.* Malaysia *Halal* Council Secretariat (MHCS), Department of Islamic Development Malaysia.

Meeting File of the Malaysia Halal Council. (n.d.). Malaysia Halal Council Secretariat (MHCS), Department of Islamic Development Malaysia.

Norazla Abdul Wahab, Farah Mohd. Shahwahid, Nor'Adha Ab. Hamid, Surianom Miskam, Syaripah Nazirah Syed Ager, Marliana Abdullah, Norziah Othman & Wawarah Saidpudin. (2015 December). Undang-undang *halal* Malaysia: Isu dan cabaran. Paper presented at the *World Academic and Research Congress 2015 (World-AR 2015)*. YARSI University, Jakarta, Indonesia.

Official Portal Department of Islamic Development (n.d). *Mengenai JAKIM*. Retrieved March 20, 2019, from http://www.islam.gov.my/en/about-jakim/organization-chart/39-mengenai-jakim/1725-bahagian-dan-cawangan.

Othman Mustapha. (2014). Cadbury issue: MOH should report the findings to Jakim first. Retrieved from www.english.astroawani.com/malaysia-news/cadbury-issue-moh-should-report-findings-jakim-first-36959

The Malaysian Protocol for the Halal Meat and Poultry Productions (n.d.). Putrajaya: Department of Islamic Development Malaysia.