

## JOINT POSITION BETWEEN FIA AND AFBA ON A PROPOSED MUTUAL RECOGNITION ARRANGEMENT BETWEEN HALAL CERTIFYING BODIES IN ASEAN



### OVERVIEW

Halal certification gives assurance to consumers that a product meets the requirement of ‘halal’ and ‘tayyib’. The word ‘halal’ means allowed, permitted or lawful whereas the word ‘tayyib’ means good and pure. The two words combined form ‘Halaalan Thayibban’ which means permissible and pure. In light of the growing Muslim population, the halal food business is increasingly important to meet the demand for halal products.

In the midst of a growth in the global demand for halal products, the absence of a unified certification requirement presents bottlenecks for halal businesses, and ultimately impedes cross-border trade of halal goods. Therefore, this presents a need for halal certifying bodies to collaborate towards a standardised halal regulatory framework.

Food Industry Asia (FIA) and ASEAN Food and Beverage Alliance (AFBA) are committed to work alongside authorities and stakeholders to support the work plans in promoting for greater alignment in halal standards in the Southeast Asia region, as a lead-up to alignment at a global scale.

This infographic summarises the key messages in the *Industry White Paper on Halal Certification and Proposed Mutual Recognition Arrangement between Halal Certifying Bodies in ASEAN* that was developed by FIA and AFBA in 2017.



### PART 1: RECOGNITION OF FOREIGN HALAL CERTIFYING BODIES



Of the halal certifying bodies in ASEAN, three, namely JAKIM, MUIS and MUI, have their own official list of recognised foreign halal certifying bodies (FHCBS) and have established recognition criteria for FHCBS.



In order to gain recognition, the FHCB has to submit an application for recognition. After which, an assessment is conducted upon the FHCB. The approval that is granted serves as an official recognition towards the FHCB’s capability to act as a representative in ensuring that the raw materials and products manufactured in other countries are in accordance to the requirement of the local halal authority in the importing country.



The list of recognised FHCBS is updated from time to time, depending on the conformity of the FHCBS to the recognition criteria and whether the FHCBS decide to continue with the recognition.



### PART 2: EXISTING RECOGNITION BETWEEN HALAL CERTIFYING BODIES IN ASEAN

|           | Singapore   | Indonesia  | Malaysia  |
|-----------|---|--|---|
| Malaysia  |                            |                 |  |
| Indonesia |                            |                 |  |
| Singapore |                            |                 |  |
|           |  Mutual Recognition In Place |  Not Applicable |   |

A comparison among halal certifying bodies in ASEAN with list of recognised FHCBS, showed that some level of mutual recognition is achieved between halal certifying bodies in Singapore, Indonesia and Malaysia. Having said that, there remain specific challenges that are faced by industry members in managing the trade of halal goods across the region, as highlighted in Part 3.



## PART 3: LIMITATIONS / CHALLENGES THAT ARE FACED BY THE INDUSTRY MEMBERS AND RECOMMENDATIONS

### CASE STUDY 1:



#### Recognition of halal certified products based on geographical region instead of certification process

While some countries have established the list of recognised FHCBS, there are restrictions as the halal certificate can only be accepted if it is issued by a local halal certifying body that is recognised. In other words, the recognition that is granted is confined to the geographical boundaries. This creates constraints, especially for companies with multiple manufacturing sites in different countries as they face the need to appoint a local halal certifying body for each manufacturing site, instead of a single halal certifying body for all sites to streamline operations work. Similarly, this constraint is faced when companies source for halal materials during B2B trade as the halal certificate would be invalid if it is issued by a halal certifying body that is not located in the same country as the manufacturing site, even though the halal certifying body is recognised.

**Recommendation:** The recognition scope of FHCBS should cover cross-geographical region / overseas halal certification to encourage the streamlining work of halal management activities for companies that are involved in cross-border halal trade activities.



#### Halal certification request for non-critical product

There are product categories that do not necessarily require halal certification as the product has no doubtful (or 'syubhah') ingredients.

However, there have been request for halal certification for these product categories. This creates uncertainties among companies to determine the types of product that require halal certification.

**Recommendation:** Halal certifying bodies can provide more clarity on the product groups which require halal certification, based on risk categorisation. This is to reduce unnecessary burden on industry members and at the same time, uphold halal assurance towards consumers.

### CASE STUDY 2:



#### Different recognition status of FHCBS

In the region, FHCBS may bear different recognition status across countries.

**Recommendation:** Halal certifying bodies can establish mutual recognition of list of recognised FHCBS to streamline the recognised FHCBS in the region. This also reduces the need for a re-assessment of a FHCBS that is already assessed and recognised.



#### Delisting of previously recognised FHCBS

The list of recognised FHCBS is dynamic and changes from time to time.

The removal of recognition status has wide implications as companies have to seek for an alternate halal certifying body that is recognised.

**Recommendation:** Provision of sufficient transition time in the event of any delisting of previously recognised FHCBS in order to minimise disruption in business operations.

### CASE STUDY 3:



#### Restriction on the use of halal logo

Halal certified products are unable to access the ASEAN market with a single halal logo printed on product label due to restriction in selected countries that only permit halal logo that is issued by the local halal authority to be used on products that are distributed in the local market.

Despite gaining halal certification from a recognised FHCBS, companies have to go through an additional application with the local halal authority for the use of permitted halal logo on product labels.

**Recommendation:** Halal authority in the importing country to accept the halal logo from a recognised FHCBS to streamline work of halal management activities for companies that are involved in cross-border halal trade activities.



#### Mutual recognition among halal certifying bodies in ASEAN



## PART 4: MRA PROPOSAL



#### Mutual recognition to be extended to the list of recognised FHCBS

The process towards achieving MRA involves the exchange of knowledge and best practices among halal certifying bodies to address the similarities and differences in the halal standards that are established by each halal certifying body. These serve as stepping stones towards achieving alignment of halal standards in the region.

A collective agreement on the aligned halal standards, benchmark and minimum requirements acts as a means to ensure the halal standards that are maintained in each individual country are up to par and with that, a greater confidence in the halal certification systems that are maintained by the halal certifying bodies which in turn, facilitates greater recognition among halal certifying bodies in ASEAN.

Taking one step further, FIA and AFBA would like to propose the extension of mutual recognition between halal certifying bodies to include the list of FHCBS that is established, if there is one.

Halal certifying bodies can take reference from the assessments on FHCBS that are completed by other recognised halal certifying bodies to facilitate the approval of FHCBS, including those outside the ASEAN region.