

# The role of halal certification in international trade

## The case of Pakistan

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#### KEYWORDS

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#### ABSTRACT

The word 'Halal' is an Arabic word which means "allowable, permitted, and lawful", derives from the Holy Book (The Qur'an), in which the term, "Halal", and comes from "Halal and Toyyiban". In terms of food, "it means food which is permitted according to Islamic Law. The primary task of this study is to analyze the importance and impact of the Halal Certification (HC) regulations in the field of international and national trade law. The study primarily shows how the issue of Halal Certification (HC) has become an area of international standardization of halal foods. This is done through comparison of most legislative countries on Halal Certification (HC) with Pakistani legislation. The study gives a brief background on the development of Halal Certification (HC) regulations in international scenario, and also provides the present situation of laws on Halal Certification (HC). The use of stamps on Halal foods means that this food is beneficial in ingredient for usage and according to sharia rules. So, the first and initial stage of this Halal food specified as "Hisba Institution" in the period of Holy Prophet (SAW) specified for procurements of Halal foods but its legislation was announced for implementation in Umar's (R.A) period of ruling. Pakistan has a formal Halal certification issuing body, which is governed by the Pakistan Halal Authority Act, 2015 from which import and export of halal food will be secured by using halal certification. The consequences of this research will have great impact for the whole community in trade and for the food producers within Pakistani boundaries, including those persons have step-in for the purpose of Halal foods regarding the legal nature on it.

### 1 Introduction

In this scenario, Islamic teachings and ideology also discuss the matter of Halal and Haram foods for the usage in daily human life. The primary and secondary sources of Islam (Quran and the Sunnah) are enough for the guideline of this matter but many Islamic scholars and Islamic religious personalities have elaborated this matter according to Islamic teachings, from their struggle, this matter has been become very familiar to even every common person of the world.

According to Islamic views, there are some foods prohibited by the Holy Quran and the Sunnah. However, in Islam the word 'Halal' is not only including about the 'foods consumption' but there are also some non-food products or tings, those are basically not the foods but from these ornaments can be derive some other products those are including such as "Cosmetics, toiletries, pharmaceuticals, leather products, perfumes and fragrances, brushes mainly and so on".

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Halal foods needs orders (Quran and sunnah) and fatwas, those are announced or according to the Maqasid al-sharia. The concept of halal foods according to Islamic views is very close to the ideology of the maqasid al-sharia. And this Maqasid al-sharia based on the following:

1. “To preserve the purity of religion”;
2. “To preserve life”;
3. “To preserve Islamic mentality”;
4. “To preserve property”;
5. “To preserve future generations”;
6. “To maintain self-respect and integrity”;

### **The Halal Certification**

Halal Certification defined as the process or method recognized by an authentic qualified authority for the purpose of securing or protect to the halal products, to analyze about the Halal standards for the products, and to ensuring to the consumers that there is nothing is mixed which is forbidden by shariah law and surety about accordance to the sharia laws. The Halal Certification body issues or authorize to issues Halal Certificates to the producer companies after the examine of the application of shariah standards and recognized to the required Halal food production. Basically, Halal certification ensures to the halal standards while the issues regarding safety of the foods is the responsibility of the Government authority by itself.

Furthermore, the document of Halal Certificate is the most important and used as the trust of halalness into the ingredients and this is represent to the all requirement of halal food productions. This document is used also for the Islamic rules and regulations; those are implemented and required as per rules of authority or institution. This document is an certified and issued by organization or authority, but before the issuing any certificate to the company or manufacturer, there is very important task required to inspect the foods and preparation of all articles. When all requirements of inspection are meets to rules and regulations, then Halal certificate issued by that concern authority. There are a lot of international organizations, those are working as issuing the certificates etc. such as (MUI , JAKIM , and GCC ), these are all organizations working and controlling to the trust of customers and providing more secure and healthy halal foods, from where there can be get halal foods with services of supervision Halal Certification Organization. This certificate of halal foods is used or can be possible to valid “for one to five years from its date of issue”, and there is an conditional situation that every individual is bound to contracts, “with audit schedules during the contract period, confirming that Halal standards and criteria have been met”.

### **Approaches Towards Halal Certification; An International Scenario**

The concept of Halal certification is the core element for the Muslim countries and some extent in the non-muslim countries especially for international trade. Halal foods has many requirements before producing, packaging, selling, marketing, importing and exporting for the Muslim consumers, so Halal Certification authorities in different countries, authorize to organizations as per Islamic principles e.g. which animal permitted for eat, and how to slaughter, and which drinks are permitted for drinking etc. Internationally, there are many familiar organizations, those have strict laws according to the Quran and the Sunnah on halal foods and also many other countries are registered with these organizations.

### **Halal Certification in USA.**

In the US, there is gradually increasing the numbers of Muslims, but specifically Muslims lives in North America were increased from world war 1 and this was too fast growing after the world war 2. And if we look at recent nearly study about the population of the Muslims in 1992, this can be calculated in numbers at 6 to 8 million and then it’s now spreading to the all over the cities in USA .

Here is he religiously survey report of USA, and this is the most recent survey where 1 million increased from 2000 to 2010 which is 160% Muslim population incensement, and 2.6 million Muslims were living in the USA at the calculation report of this survey .

The department ISWA is working for the purpose of Halal Certification under the department of the USA Halal Chamber of Commerce, Inc. “which is internationally and domestically recognized full service commerce and professional certification body that is dedicated to promoting Halal business and

understanding of Islamic dietary compliance. The chamber facilitates dialogue between industry and consumers”.

The USA Halal Chamber of Commerce, Inc. is working by fully controlled of “Islamic Society of the Washington Area (ISWA) and American Muslim Halal Compliance Council (AMHCC)” which is authorizing for all compliance with all Islamic Dietary and Shariah Laws.

The USA Chamber of Commerce is a member of the American Association of Halal Certifiers (AAHC) and the World Halal Council (WHC).

In the case of United State of America was the plaintiff and the defendant were included Jalel Aossay, Yahya Naseer Aossay, Midmar Corporation, Islamic Service of America & ISA, INC, WHERE defendants made statement in their argument that government issued a notice for prohibition of halal slaughtered animal which took by the establishment clause and response of this argument government said that defendants made falsely documents, fraudulent statement, misrepresentation and certificates for international export so that’s why they collates the establishment clause .

The facts of the case were evidence that the defendant was 75 years old and he was born at Cedar Rapid, Low. He visited and established different countries. He established from those, one of the major Midamar on July 1, 1974 and become the CEO, President and Director thereafter. Defendant had also in trail court accepted that he handed over the business into the hands of his sons when he attained the age of 65 and this business Midamar does business in fifty states as well as internationally and employs about fifty people at its Cedar Rapids location.

So, in this case, court held in 22nd July 2015, announced that defendant failed to prove by clearly evidence but instead of this there was many other things arose. From these clear evidence court hearing were satisfied because this court was consist of jury where detention was warranted announced.

The court finally finds at the dated 22nd July of 2015, defendant failed to establish by clear and convicting evidence that he does not pose a risk of flight. The trail evidence and the government’s evidence at the detention hearing, when the coupled with the powerful incentive to flee following the jury’s verdicts, convince the court that detention is warranted. In this case, defendants were also saying that they know clearly about their conduct which was totally bad conduct as meat was miss branded and as well as miss labeling so they were satisfy to the court that their conduct is not in criminal breach so this is not an offence, but the court of law uses the word offence for this because this the criminal breach of law.

So court clarify further to this matter that when he was under investigation so that time also he was doing this illegal practice, for instance they continued to misbrand the meat and as well as to the miss labeling to the meat. So court have also clarified that in July 2014, defendant removed the dated from back and production dates were numbered and defendant donated this meat to the school children for eating it so where an employee noticed that this meat was out of dated which was four years back produced.

So in the order accordingly, defendant got his remain in jail as sentence for his miss conduct because his evidence was convicting himself for keep him in imprisonment and not for release under suitable conditions.

Here in the following given some states of USA have been given along with their statutes regarding to the halal foods.

- California is the one of those states where the enactment has been passed on the basis of the Illinois State act regarding halal foods, because in its statute, there is mandatory clause like Illinois act. In 2011, halal products certification institute was established and one of the best certification organization in worldwide introduced for the certification of cosmetics, personal care products and perfumes and fragrance etc. and this was registered or established after the struggles of intellectual Islamic scholars.
- Maryland State is different in its statute from others that every dealer must keep its record from last three years at the time of inspection, Maryland statute is also prohibits to the “willful marking” of a food product as halal if it is not actually halal.
- Michigan is the hub of Muslims, where the large population of Muslims lives and survives on the halal foods, also prohibits to the frauds of the halal foods as no person will be showing the food is halal which is actually non-halal food, and also Michigan Statute prohibits to everyone from refraining of the label of “halal” which is non-halal with the intent. Michigan State have its own penal code which is called

as “Michigan Penal code (Excerpt) Act 328 of 1931” where first of all in section 297f clause(1), there is halal definition given as anything processed or prepared by Islamic religious. So in its next clause (2) as defined of the person that who will be committed as defraud and misrepresentation with the intent, in this clause there are many other definitions for misrepresentations and frauds, those are given in following. In sub clause (a), that the person when sell or represent as halal but it is very clearly calculated as deceive to the person as halal which may be orally or by making any false statement on it for being it halal, and in next sub clause (b), where this clause deals with the falsely usage of the container in with halal food packed and written over this package or container as halal in English. Further there are some clauses (c) and (d) are also used for the displaying the non halal meat on the place of halal meat business as fraudulent intent. In next sub section 3, where also mentioned about the non halal food advertising as the sale of halal foods with the intent to consumption of halal food in defraud. In sub section (4), (a) (b) and (c), there is explanation of miss usage of halal logo, marks, stamps, brands, labels or any other way from which its identification can be remove by any method. Lastly in sub section (5), there is given a method to investigate and authority that will be responsible for investigate and inspect to this, which is the department of agriculture who shall be responsible for its regulation and administer to this act.

- The 78th legislative session of Texas House and Senate has started the legislation specifically in the regulations of the halal foods in the protection, the consumptions, and protections from the mislabeling of these products for the sake of Muslims community in Texas. In august 12, 2003 there was signed a law HB-470 (TX Halal Law).

#### Halal Certification in United Kingdom

Sharia Halal Board in UK is working under the shadow of Islam, however, this board has many conflicts with the government of British on halal products and foods especially in the process of slaughtering.

In 2013, when a government council in UK provided a meat to a school which contained the DNA of pork, so SHB claimed in written to the many Governments councils specially to the accused Westminster Council. The SHB was also addressed to the Muslim community that these are only we to trace and penalize over the providing of the halal food in it mixing of pork etc but government should monitor it and certifies to it completely.

Where a statement released by Andrew Christie, Westminster City Council’s sad in the reply of SHB “we are very concerned by the discovery that the contractor has fallen short of the high standard we demand. We also understand and regret the upset that may have been caused to parents and children alike. We are contacting schools, parents and faith group leaders and are offering to meet with them to discuss their concerns”.

#### Halal Certification in Australia

The initial steps into the “Halal certification” were taken in 1974. The “Australian Federation of Islamic Councils (AFIC)” recognized as the major authority for the standardization under the shadow of Islamic principles and this is also for the oversight of all permitted foods bi Islamic principles for the Muslims of Australia.

In Australia, there is no any formal work on the federal level regarding to the halal food labeling, the voluntarily or with the help of third parties, there is processing on this issue. But here is the important point that Government of Australia does approve to the all certification regarding the halal products especially in exports for the countries such as Indonesia and Saudi Arabia through its department of agriculture.

There are many different bodies those certified to the companies for halal food preparation in Australia. According to the Appendix A of the department of agriculture in Australia, these are given below approved bodies for the arrangements of the halal red meat and the halal products for exports, those are

1. Adelaide Mosque Islamic Society of South Australia
2. Al-Iman Islamic Society
3. Australian Federation of Islamic Councils Inc
4. Australian Halal Development and Accreditation
5. Australian Halal Food Services

6. Global Halal Trade Centre Pty Ltd
7. Halal Australia Pty Ltd
8. Halal Certification Authority Australia
9. Islamic Coordinating Council of Victoria Pty Ltd
10. Islamic Council of Western Australia
11. Muslim Association of Riverina Wagga Wagga Inc
12. Supreme Islamic Council of Halal Meat in Australia Inc
13. Western Australia Halal Authority

### **Halal Certification in Thailand**

In Thailand, “according to the Regulation of the Central Islamic Committee of Thailand (CICT)”, is the responsible for all affairs of halal foods or products and also the responsible about the standards of halal foods across the country and which will be called as Thai Halal Product Standards, and these standards will be announced under the Islamic Principles as well as regarding “the international standards besides the use for authorize of Halal logo on halal products”. This committee will be also the responsible for the functioning of issuing certificates as HCB.

“Thailand exported nearly US\$24.38 billion worth of livestock, fishery, cereal, vegetable, fruit and sugar products. That represented solid 10% growth from year 2009, and shipments those went out from country estimated US\$27.65 billion in 2011”.

Thailand ranks first for Halal exports from 10 member countries of ASEAN, major markets for Thai Halal Food are Indonesia, Malaysia, Nigeria, Oman, and other countries in the ASEAN region.

### **Halal Certification in Philippine**

The situation of the Philippine is not even cheerful, and this is due to the security reasons there because there are so many problems and hurdles, where Zamboanga halal food industry even is facing many problems over there. In fact, Philippine halal certification is currently many problems like scattered, decentralized and coherence etc. currently, there are 18 certifying halal agencies across in the country, but only 9 are members of the national Halal Federation and are more credible halal certification suppliers.

This complicated situation has occurred in the Philippine is due to the constitution, where there is separation of the Church and State. Therefore, government agencies are forbidden from meddling in the management or the establishment of the halal certification bodies, due to religious activities. According to the Roberto Amores” halal certification can be done through many different halal certification bodies, which do not communicate or coordinate between themselves”.

### **Halal Certification in Canada**

Canada has amended to the laws of its Food and Drug Regulations by adding new labeling laws regarding halal foods. Where new halal labeling rules states that no one can use Arabic word halal or related any word halal on the labeling, packaging, advertising or selling food unless they use or indicated the name of the person or the body or organization to run the business.

This amendment was made in the Canada gazette, part II on April 23, 2014 and comes into effect on April 4, 2016.

There are two certified organizations for certified to all companies, those are given below;

ISNA Canada

Since 1988, this organization is not only certified foods for the Canadian Muslims and United States Muslims but in much more countries, this organization is working on halal foods.

HMA Canada

This is also a non-profit organization for the specifically in halal foods. HMA also provides highest standards to the halal foods and certified to all halal foods. This HMA organization is recognized as most authentic organization body in Canada.

### **Case Laws**

Halal Certification Authority sued against “the Quality Kebab wholesalers Pty Ltd”, “a wholesale distributor of meat products”, who handed over illegally halal trademarks to other kebab outlet. There are also other two countries accused to these same issue.

So in this case Halal Food Authority Pty Ltd sued this case for the “infringement of its statutory rights under the Trade Mark Act 1995 in respect of registered trade mark”.

Halal Certification Authority also claimed in their arguments that “these wholesale distributor also breached to many provisions of the Australian Consumer Law (ACL)”, where mostly provisions of this law prohibits from the misrepresentation and the false conduct and the engaging in misleading or deceptive to the public with voluntarily or knowingly involved into the contraventions of ACL.

Remedy for infringement by the kebab shops:

Halal Certification Authority Pty Ltd demanded in the petition that all damages under the Trade Mark Act other than the accounts of profits, and those damages must be amount of license fee would have paid annually which is \$5,000 for a genuine certification. Here, Justice Perram considered before announcement of damages, and to avoid the infringement by the kebab shops passing without remedy, nominal damages of \$10 were awarded for the infringement of Trade Mark Act on the basis of analogous copyright cases.

### **Remedy for the infringement of wholesale distributor**

Again here, in this portion, Halal Certification Authority did comment about their claim of infringement of license fee but their argued were failed against the wholesale distributor. Because rather than obtaining such license, it was more likely that a different, though still false and again there was awarded \$10 in nominal damages .

### **Halal Certification in Muslim Countries**

An increasing amount of literature is being published on the Halal Food consumption in Muslim countries. Malaysia is moving towards becoming the “Halal hub” food industry and a significant portion of research on halal food consumption. Academicians in other Muslim countries have also done some meaningful researches in the same demeanor. The concept of halal food are opening new vistas and avenues for the marketers and is emerging as a new brand Concept, using the theory of reasoned action they provided the insight into the halal products selection among Malaysian consumers.

There are obvious and clear facts regarding growing and effecting halal industry on the worldwide international trade is going to develop more in its policies, so the halal certification is getting benefits from the aspect of publically interest of intervention, such as, although small level of evident, but potentially much more influential. “The halal certification system, indeed, the halal certification system is fundamentally inseparable from the overall halal food industry, and this paper argues that it constitutes a significant factor in determining the export performance of halal food firms. By looking at the halal certification models currently in place in Malaysia and China and by analyzing how the core characteristics of these models differ, the authors assess how exactly they affect the degree of firm internationalization inside the halal food industry”.

### **Halal Certification in Pakistan; an analysis**

The concept of Halal certification is today’s very hot issue all over the world, basically its need and awareness for the uses of halal consumption foods according to the Shariah is very essential for Muslims across the world. The role of halal certification is to secure the fully hygiene food, its safety, its production etc. must be certified by a recognized authority. This recognition can e done only when halal logo is used for halal certified foods and the purpose of this halal logo is to check its production methods.

Pakistan has passed an Act on federal level but still now it’s still pending for implement. In this study, there will be the awareness for the use of halal recognized food according to the sharia and the recognized authority for check and balance on the basis of its certification or through a process prescribed by the Government which may be for the imported or exported foods.

### **Overview of Pakistani Halal Certification Laws & Regulations**

In Pakistan, if we look at its food safety laws, then there are a set of laws in different categories but its legal frame work is not capable to together working due to authorities not concerning with due attention. Basically these laws have been enacted from long time ago but no any achievement has been brought into food safety measures. Due to these flaws the enforcement of these laws is poorly going on.

There are basically four laws in Pakistani halal situation, three of them directly focus on the food safety measures but one of them indirectly focuses on food safety measures which is PSQCA “The Pakistan Standards and Quality Control Authority Act , 1996”.

The pure food ordinance 1960 is the law for the preparation and safety of the foods for sale etc. and this law is the prevention for the adulteration of the food and this law is amended for the implementation of all provinces along with some northern areas.

There is another Act which deals in operation same as the pure food ordinance because there is no difference between substantial and practical implementation because rules of operation are similar with each other, but the difference between both of them is that for the cantonment areas which is called “The Cantonment Pure Food Act, 1966”.

#### Pakistani Standard & Quality Control Authority (PSQCA)

This PSQCA is the authority, which is under the control of ministry of science and technology and this is the national standardization body. There are many rules and regulations those are must meet with the PSQCA. These are may be the goods for domestic manufacturers and international exporter’s criteria and this PSQCA is the authority which follows the rules and regulations by the PSQCA Act, 1996. This PSQCA is the member of ISO which is international organization.

PSQCA is also the focal point for different authentic national and international bodies such as ISO, IEC, Codex Alimentations and WTO. Here is Pakistan; this PSQCA is also national level enquiry for the trade barriers etc. which is called National Enquiry Point (NEP). And this authority has also the responsibility for the measures of food safety and standardization of the foods for the consumers, and in generally for the public is available. However, PSQCA is the authority which has the responsibility of the food inspection and test for the products and services, including all food items and their quality measures, and their specifications and characteristics during their use, and these productions for their import and export inspections.

In recent time of business, PSQCA is covering to the 78 items for the certifications under ‘Compulsory Marks Certification Scheme’. Ministry of Science and Technology (NA committee) brought the issue in NA that in import, there are 19 items of foods contained the Haram ingredients, and further said that this is not our responsibility or Science ministry never given the mandate to stop the sale of such products and those items are as under below:

“Two brands of chicken (imported from Holland), Bubblicious (UK), Chupa Bubble (Holland), Pascual Yogikids (Spain), Three brands of Skittle Fruit (UK), Picnic Chicken (USA), Slima Soup (UK), Knorr Chicken Soup (France), Cup A Soup (UK), Tulip Chicken (Denmark), Rice Chicken Broccoli (USA), Pasta Chicken Broccoli (USA), Pasta Creamy Chicken (US), Heinz Dinner Chicken (England), Jell-O (USA), Pop Tarts (USA),”

Moreover, Ministry of Science and Technology had put the responsibility on the Ministry of Commerce as saying that “the ministry intended to see establishment of the Pakistan Halal authority through an act of parliament to promote imports and exports and inter-provincial trade and commerce in Halal items and processes”.

#### **Pakistani Halal Authority Act**

This Pakistan Halal Authority Bill was first time introduced in the parliament at 2015 in parliament or federal level, and according to this bill which is called “Pakistan Halal Authority bill, 2015”. Further in its legislation has been brought in recent time and now National Assembly of Pakistan has been passed as an Act by the name of “Pakistan Halal Authority Act, 2016” and this is the master plan for the protection of halal food at domestic level as well as to the foreign countries trade will be better, from this plan advancement into the halal food will also effect in good manners which were totally absent in previous years, every country and domestic society will be assured for the protection and examine properly by the authority about the halalness of the foods.

In Pakistan, when this concept of Halal Food Authority Act, 2015, was brought into discussion so firstly government of Pakistan sent before two years ago some well familiar personalities of sharia scholars to the abroad in familiar institutions for the sake of training, these scholars were belong to the “Jamiat-ul-Rashidia” and then at the time of their completion of training, this Act was came into force in 2015. This

Pakistani Halal Food Authority is totally running by the Islamic Scholars because through in the world there are only some countries those have Islamic Scholars for the running of this halal certification institute such as the institute of SANHA in South Africa and the halal certification institute of ACJU is in the Sri Lanka. Punjab Food Authority (PFA)

According to the passage of the 18th Constitution amendment that food will be the subject of provincial responsibility, Punjab food authority had established under “The Punjab Food Authority Act, 2011”, this authority deals with the consumption of safe foods for human being, there is basic purpose of this authority which laid down for the very importantly task of food articles and for their regulations with their manufacturing, distribution, sale and import of halal foods. This authority have all responsibilities regarding food consumption that how this will be processing or importing or exporting or even issuing the license matters and issuing notices or prosecution of any matter deals regarding any matter of foods. Know the Facts (activities of PFA)

PFA had imposed heavy fine on the “Allama Iqbal Medical college cafeteria, Jinnah Hospital canteen, Cakes and Bakes on the Infantry Road and Junaid Restaurant at Kamahan Chowk Lahore due to hygiene issue, cleanliness problems and handling standards issues”.

Meanwhile, there was sealed many familiar business places such as “NFC Mansha Tikka Shop, Butt Pakori and Ghausia Food Traders at Tokaywala Chowk, Gol Bagh (Shadbagh) and on Amir Road, Lahore Broast, Multan Road branch, Sawat Khyber Hotel and Mahmood Chargha at Timber Market, Lahore Broast on Wahdat Road and Butt Tikka Shop in Rehmanpura Lahore”.

“Zam Zam Café of Jinnah Hospital was imposed Rs 5,000 fine, Sheikh Zaid's canteen was given a fine of Rs 3,000, Bismillah Juice Corner of Child Ward of Mayo Hospital received a fine of Rs 7,000, canteen of Anmol Hospital got a challan of fine Rs 3,000, main cafeteria of Doctors Hospital was imposed a fine of Rs 15,000, Bismillah Food stall of the same hospital was fined Rs 13,000 and another food outlet of the same hospital was imposed a fine of Rs 2,000 by the PFA teams”.

“There was a 20th meeting held by the PFA, and there was many things including increasing fine that PFA Board accorded approval to increase fine on violation of Food Act according to which, Assistant Food Safety Officer will be able to impose a fine of Rs. 25000, Food Safety Officer one lakh rupees, Deputy Director two lakh rupees while Director Operations will impose a fine of five lakh rupees. In this meeting, this was also considered the issue and agreed by the board for the starting of the e-licensing system which is more reliable and flexible to creating the license. And regarding this meeting, there was also PFA board was requested that when there will be any person who will violate the PFA laws so there must be increase the fine from 10 lakh rupees to the 1 crore rupees and there must announce the non-bail able offence.”

**OIC Guidelines and Obligation of Pakistan**

OIC is the second largest inter-governmental organization after the United Nations which has 57 states spread over the four continents.

This halal standard develops by the OIC institution “Standardization Expert Group” (SEG), and this standard develops to the Islamic rules by commonly accepted rules of Islamic countries. Basically, these guidelines are given in the first schedule of Halal Authority Act 2016 in Pakistan and the basic Islamic rules for the halal foods, its preparation, packaging, processing, labeling, sorting, controlling, transporting, marketing, distributing, storage and service of the halal food according to the Islamic rules must be followed by the member countries of OIC.

According to the schedule 1 of the Pakistan Halal Authority Act, 2016, there are some specific referenced documents for the specific matters e.g. CODEX STAN 1 (general standards for labeling pre-packed foods), CAC/RCP 1 (principles of food hygiene), CAC/RCP 58 (principles of meat hygiene), ISO 22000 (food safety management system), ISO 22005 (traceability in the food and feed chain).

In these guidelines given by OIC, there are some terms and definitions are also given to the member countries, those are first of all, all those things those are permitted by Allah in the Holy Quran and by his Holy Prophet Mohammad (SAW) have allowed so those are all falls under Islamic rules and regulations for halal foods.

**Halal Certification and Its Impact on Pakistani Trade**



Pakistani halal position in world is very exceptional position in its halal products such as halal meat which contains unique type of taste and nutrients values. Economically, Pakistan has an important role in livestock industry, which is stand position as succeeding in buffalo's productions, poultry is round about 670 million, castles are at 60 million, and sheep and goats are succeeding at 55 million. From these statistics, this can be analyzed that Pakistani livestock is going to meet the requirements of the global halal meat and this can be the hub of halal industry in world. The current situation of Pakistan is that Pakistan is exporting to the Gulf Cooperation Countries at large scale.

Pakistan has a great importance on the global market for import/export due to many reasons e.g. multiform of agriculture and halal meat food in Pakistan. There are a lot of opportunities for the requirement of approach the demand to all over the world; those may be Muslim countries and non-Muslim countries. There is a lot of need to advancement in halal food laws on global level because there are a lot of flaws into legal requirements to being mature laws. So due to these reasons still now halal market is going to develop their laws and market on sharia halal standards so Pakistan has a great opportunity to being a halal hub as international standards.

### **Export of Halal Items**

Pakistan has increased its halal meat e.g. mutton and beef etc. to the export industry in world, there is statistics in recent years that is increased from US \$70.9 million in 2008-09 to US \$210.9 in 2012-13, which is increased 39% per annum. If we talk about only mutton amount in export then it is US \$79.4 million and specifically to the beef US \$111.2 million in 2012-13 to the many different states. There are many countries to export in international market especially in beef and mutton from Pakistan those are includes UAE, Saudi Arabia, Iran, Kuwait, Oman, and Qatar.

### **The problems in Pakistani Halal Situation**

Unluckily, Pakistan has lack of official halal certification for the purpose of halal foods although there is everywhere concept in world that Pakistan produce halal foods but there is also the strong image that there is no any realize of consumption of halal food. Hence, in Pakistan there is halal export consumption such as medicines, cosmetics, toiletries and even food ingredients, but unluckily there is a lack of examination on standard basis and there is need to develop new halal market state of affairs, and be hold on the Gulf Cooperation Countries (GCC) and European Union (EU) Halal food markets and be on the global standard of halal hub consumption industry.

The Government of Pakistan initiated some positive things for the betterment of the Halal industries from more than previous years. In these efforts, first of all a huge benefited subsidiary had announced which tax exemption for four years due to incensement into the Halal industry in Pakistan with foreign countries. In the present situation of Pakistan's share is on very low stage of the global halal market in the world. Specifically, halal market in the world is running on the business of foods, beverages, pharmaceuticals, halal meat, cosmetics, and gelatin. But Pakistan is only focusing on the meat export to the foreign countries at the ratio of 0.26% in halal trade of multibillion global halal markets.

“Pakistan's share in one trillion-dollar global halal food market is a pittance. To encourage new investments in the halal meat production and to increase use of modern and state-of-the-art machinery in this sector, companies which set up halal meat production plants and obtain halal certification by 31st December 2016 are proposed to be allowed tax exemption from Income Tax for four years from the date of set up, In the budget for fiscal year 2016, the government has granted income tax exemption for producers of Halal meat who have obtained the required certification. It states that any industrial unit set up between July 1, 2015 and December 31, 2016 and engaged in certified Halal meat production will be exempted from income tax for a period of four years.”

In above detailed discussion, Pakistan has a great influence on global trade and there is given some suggestions that there must be some new encouragement in this field. The basic thing is that halal certified food is exempted from the income tax of authorities because the purpose is to more engagement with this trade.

### **Conclusion**

Eventually, when any organization successfully acquired license or halal certificate by concerned certificate issuing authority, so from this succession every customers comes into the shadow of the trust for relevant

company and then that company only focus to the maintainability of its standard level according to the Islamic rules and regulations, because from every halal certificate including the much level of its quality standards. Thus, this halal certification is the most important document to whom, those are in competition with all other concerned halal companies.

Halal foods and the derivatives of these foods are the general rule is to testify by the Almighty Allah and his last messenger prophet (SAW). But when any food, any animal, any plant etc. is prohibited by Quran and the Sunnah, is to be mixed with the halal food or any ingredient so that will be included in the Haram by its nature as well.

There is the problem regarding Halal Certification which is in rising demand for protection of their business in halal products but unfortunately there is the abuse and misuse of Halal certification. There are so many examples, because Halal Certificates can be buying easily.

Furthermore, there is the rising of OIC on international trade and many other global Halal stakeholders are agreeing for the development of global halal standards. The formation of IHI Alliance as part of WHF resolution 2007 and OIC General Assembly 2008 was a step towards this.

Pakistan is facing many problems including challenges regarding the stability of halal foods especially in import/export issues. In this categorically issue of halal food, there are different situations in which its running process is very low due to Pakistan have internally a lot of reasons those are impacting on this issue e.g. Pakistani government's bad policies, illegal transportation of animals to the foreign countries, transportation system, taxation system etc. there is another problem which is creating an bad environment of halal certification even in domestic level and at foreign level because many businessman of the modern age relies on its authentication for their customers etc. because at the higher level of especially in export Pakistan have many problems to show the purity of halal segments. These are the basic problems; those are big hurdles to export/import running system from throughout the Pakistan.

There is another problem of Pakistani halal food market is that 'inefficient regulatory framework' which is very specifically regarding the 'monitoring of the production, processing, and animal husbandry system'. Besides this, there is also a lack of full trained farmers by sharia legal system and about their management of farm houses etc. slaughtering persons and the diary procedures are also the main hurdles in exporters of Pakistan for the reaching of the global halal hub market. And the domestic food producers are also unfamiliar of the many advantages in the 'global halal hub'.

In Pakistan, there is federal level of government system, and in this scenario, some provinces have luckily food regulatory authorities but rests of them are depending on trust basis of merchants or traders. In recent years, at federal level, Pakistan Parliament has been passed an act but unfortunately still now no any practical implementation seems to be applicable. So, there should be proper certification system in Pakistan that exporters and importers can be bring it in true manners for the effective business of halal trade in all over the world especially in higher standards of halal foods according to its sharia law preparation, manufacturing, packaging, selling, marketing, supplying, delivering etc.

There should be authentic option to choose the symbol for all manufacturing companies which will be used as trademarked under Halal certification authority, so from these positions of authority can be asked if there is an any ambiguity and for the protection of business symbol, for example, when any person use or prepare their food according to the rules and regulation of authority, so the authority can be asked in court and can defend to its misusing of symbol. From this reason, there are a lot of things to do it because it is possible to put the information on media etc.

Similarly this symbol should be visible at packaging and have important role because this will help to ensure risk mitigation which is factor of vital importance in International Transactions.

From all above information regarding the authenticity of system, each and every company and consumer will be protected and there will be freedom of choice into the Halal foods because when any Halal Certification Authority will be showing on website about the labeling, documentation regarding halal requirements, their names and addresses and place where its origin work along with ingredients, so everything will be easy to access regarding choice.

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