

HALAAL CERTIFICATON FEES “IS IT REQUIRED?”

The All Ceylon Jamiyyathul Ulama (ACJU), the premier organisation of Sri Lanka’s Muslim scholars and theologians, refutes claims that high fees are charged from companies to give Halal certification for their products, which costs is passed onto the consumers.

The charges are solely aimed at meeting the administrative costs and in no way aimed at profits. Ours is a service, not a business.

In the face of a malicious campaign that tends to reverse the process of building a united Sri Lanka, the ACJU, not only wishes to explain the true position with regard to the Halal issue, but also protect and preserve national unity and ethnic harmony.

The Halal certification process offers a huge opportunity to Sri Lankan business persons and enterprises, irrespective of ethnicity, religious or other differences, to penetrate the US\$ 2.3 trillion strong global Halal market.

In addition to the export market, manufactures with a Halal stamp find markets not only among Sri Lankan Muslims, but also among Muslim tourists – who visit Sri Lanka every year from the Middle East, South East Asia and elsewhere.

The ACJU believes the following explanation will further clarify its position about the Halal certification process and dispel baseless allegations.

Halal certification is a long and meticulous process that requires investment in expertise, equipment and manpower. Therefore, the ACJU is compelled to charge a fee, which none of the companies that have obtained its services, has described as exorbitant. In fact, the fee is set with service being the sole aim – not profit.

Like any other certification process, Halal Certification also has a management cost involved. For example, when a company obtains the quality standard, the system standard or the risk management standard certification, it is charged for various costs with regard to logistics, communication, human resources, professional services and consultation fees. Similarly, the ACJU also maintains an office in Colombo 3, with a dedicated team of scholars, food scientists, administrators, Halal auditors and a large team of supervisors based at certified plants. Besides, the ACJU’s Halal division has to bear the transport cost when its auditors and supervisors travel to various plants across the country.

The office also maintains a helpline and a consumer care desk for the public, corporate clients and officials to obtain information and make complaints. It incurs further costs by hosting seminars and workshops, training its staff and for publications that explain the Halal concept and its health and business benefits.

HOW ACJU CHARGES ITS CLIENTS

When preparing the rates for the Halaal certification, serious consideration is given to its impact on the consumer and applying organisation’s financial position. Hence the rates are reasonable and fair, while the Halal certificates benefits far outweigh the costs which can hardly be considered a burden to a company, be it a small, medium or a multinational organisation. The charts below explain the fee structure and its impact on the finish products

No. of Product(s)	Fee per product per month (Rs.)		
	Small Industry	Medium Industry	Large and Multinational Industry
1 to 5	500-700	1000-1250	1500-2000
6 to 10	400-600	800-1000	1250-1500
11 to 20	250-400	600-800	800-1000
21 to 30	-NA-	400-600	600-800
31 to 50	-NA-	200-300	350-500
51 to 100	-NA-	100-200	200-300
>100	-NA-	-NA-	20,000-25,000**

** More than 100 products charges will be fixed to Rs.20,000-25,000

	No. Products	Per Product	Per Month Fee	Per Annum
Small Scale				
1 ABC Lanka	1	500	500.00	6,000.00
2 ABC Curd Manufacturers	4	500	2,000.00	24,000.00
3 ABC Tea Exporters	12	250	3,000.00	36,000.00
Medium Scale				
4 ABC Dairy Products	5	1000	5,000.00	60,000.00
5 ABC Biscuits	25	400	10,000.00	120,000.00
Large Scale				
6 ABC Confectionary (Pvt) Ltd	75	200	15,000.00	180,000.00
7 ABC Multinational Co.	101	N/A	25,000.00	300,000.00

In all seven examples given in the table, the minimum annual fee obtain varies from Rs. 6,000 (Small Organization) to Rs. 300,000 (Large & Multinational Organization). However, a malicious campaign is on to misrepresent the facts. In their effort to create a wrong impression about the Halal certification process, they once again multiply the annual fee by the number of products. This is far from the truth. For instance, the company number seven in the table will not pay an amount that will be arrived at by multiplying Rs. 300,000 by 101. Neither will the company number 6 pay Rs. 180,000X75.

IS THE FEE FOR HALAL CERTIFICATION A BURDEN ON THE ORGANIZATIONS?

As clarified above, the ACJU Halal certification fee structure is designed for negligible impact on the certificate holder. To stay competitive in business, businessmen adopt different strategies, including obtaining standard certifications such as ISO, SLS, and HACCP to remain competitive.

Halal certification has many benefits, some of which are.

- ✚ To gain a share in the global Halal market for Sri Lankan exports.
The Halal market is worth of 2.3 trillion US dollars – Source: World Halaal Forum (WHF).
- ✚ To attract Muslim tourists who want Halal food and products.
- ✚ A value addition to the product at a minimum cost.

🚩 To attract the local Halal Consumer market.

As explained above, it is obvious that an organisation will not be burdened by the certification cost.

IS IT A BURDEN ON CONSUMER?

As it is very clear that there is no burden on the organization, hence it will not be a burden on the consumers either.

With living costs soaring, people will be reluctant to pay extra for any certification, be it the ISO, HACCP or the Halal certification. Businesses know this market reality, and therefore, will never want to burden a consumer by adding certification cost on the product sold.

To clear the misinterpretations and allegations against All Ceylon Jamiyyathul Ulama Halaal division with regard to fees and funds, we are willing to cooperate with any state agency, law-enforcement authority, or auditors if and when an investigation is launched.