

**MISUSING HALAL REPRESENTATION IN PRODUCTS /SERVICES – SANDAKAN
SUPPORT OILFIELD SERVICES SDN BHD & ANOR V KEMENTERIAN PERDAGANGAN
DALAM NEGERI DAN HAL EHWAL PENGGUNA & ANOR [2025] MLJU 3304**

^{i,*} Muhammad Sufi Diniy

ⁱFaculty of Syariah and Law, Universiti Sains Islam Malaysia (USIM), Bandar Baru Nilai, 71800, Nilai, Negeri Sembilan

*(Corresponding author) e-mail: sufidiniy@gmail.com

Article history:

Submission date: 1 September 2021

Received in revised form: 30 October 2021

Acceptance date: 7 November 2021

Available online: 10 December 2021

Keywords:

Halal forensics, trade descriptions, supply chain traceability, jurisdictional enforcement, public health safety, legal procedural compliance.

Funding:

This research did not receive any specific grant from funding agencies in the public, commercial, or non-profit sectors.

Competing interest:

The author(s) have declared that no competing interests exist.

Cite as:

Diniy, M. S. (2021). Misusing halal representation in products /services – Sandakan Support Oilfield Services Sdn Bhd & Anor v Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna & Anor [2025] MLJU 3304. *INSLA E-Proceedings*, 4(1), 90-94.



© The authors (2021). This is an Open Access article distributed under the terms of the Creative Commons Attribution (CC BY NC) (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits non-commercial re-use, distribution, and reproduction in any medium, provided the original work is properly cited. For commercial re-use, please contact penerbit@usim.edu.my.

ABSTRACT

Halal forensics today involves much more than just testing samples in a lab. It needs to be very careful about documentation and strong legal knowledge in supply chain audits. These modern complexities are explored in this paper using a recent case study Sandakan Support Oilfield Services Sdn Bhd & Ors v Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna & Ors [2025] MLJU 3304. The conflict started when more than 55 metric tons of cheap cooking oil were seized at a jetty in Sabah, due to the presence of unapproved halal logos on the packaging and the shipping documents didn't match the actual shipping vessels. The High Court pointed out that there was a serious error in the legal procedures that led to the raid. The enforcement team used general supply control laws rather than specific trade description laws which were targeted at halal fraud. We are able to examine this decision and identify just how a legal action can be lost through procedural error, even when there is strong physical evidence on the ground. We also discuss the high public health risks associated with fake halal labelling – when food with labels as halal are in fact made from toxic and illegally recycled materials. The study proposes creating multi-agency task forces and using digital solutions such as blockchain for in-the-field verification to address these enforcement challenges. Maintaining the halal market, on the other hand, relies as much on the correct legal jurisdiction as it does on the physical evidence.

Introduction

Today's halal forensic science has moved beyond the traditional laboratory methodology of just separating out pork deoxyribonucleic acid or measuring the amount of ethanol in consumer products. Today, it's a much more modernized and demanding field that requires thorough and rigorous documentary forensics, thorough supply chain audits, and a legally binding chain of custody for courtroom presentation. In the context of Malaysia's regulatory framework, the integrity of halal assertions plays a significant role in ensuring the authenticity of all commercial representations, labels, and display of the halal symbol to prevent misleading manipulations in the market.

Forensic investigations are especially significant in the case of bulk commodities that pass through a series of complicated logistic routes before being consumed by end users. Rather than simply an aesthetic element or a marketing tool, the halal logo is a legal tool in its own right, and it must be verified absolutely by recognized religious authorities. Any discrepancy or compliance failure found during the distribution process will lead to enforcement actions, and all physical and documentary evidence will be collected following the legal procedures in compliance with the law and in a manner that will not be objected to at trial.

This paper delivers an in-depth analysis of a significant judicial decision in the case of Sandakan Support Oilfield Services Sdn Bhd & Anor v Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna & Anor [2025] MLJU 3304. The case was heard by the Sandakan High court presided over by Judicial Commissioner Saiful Azian Mokhtar, and provides a wide context for the issues of trade description, maritime logistics and the integrity of the Halal representations. This case serves as a pivotal example of the legal implications of localised concerns over the legitimacy of the halal logo and is a key reference for halal forensics research.

In this case study, the focus is on the assessment of evidentiary methodologies, the enforcement boundaries of different enforcement bodies, and the loopholes in the process that can derail legal proceedings. In addition, the attention is focused on halal management models, packaging guidelines and on the biological risks that emerge when the halal label is used in the main food markets. The lessons learned from this ruling set a blueprint for science, documentation and law to come together as a whole to protect the halal ecosystem of the country, that will be studied by students in the field of halal forensic.

Facts of the Case

The legal battle concerns the First Plaintiff, Sandakan Support Oilfield Services Sdn Bhd, which is a corporation engaged in the supply, export and import of scheduled controlled goods including cooking oil, sugar, rice and flour, as well as in the provision of logistics services for oil transportation. As managing director of the company, the Second Plaintiff was allowed to intervene in the action. The Respondents were the Ministry of Domestic Trade and Consumer Affairs (as the First Defendant) and the Head of Sandakan Branch of the Ministry (as the Second Defendant).

It was a surprise raid by enforcement officers on the afternoon of June 27, 2018, that sparked the conflict. The operation was conducted at the premises of Jeti Ehsan Corporation Sdn Bhd located in Jalan Batu Sapi, Sandakan, Sabah. A massive quantity of cooking oil – 55.080 metric tons – was seized during the raid. It was a controlled commodity, packaged in 1 kg plastic pouches, and was a government subsidized controlled item as per the scheduled regulations.

The rationale for this aggressive seizure was based upon the two operating irregularities that were noted at the scene. Among them, there was a significant difference in the Customs K2 Form with regard to maritime and customs declarations. The papers named the transport ship primeline No 1, but the ship that was docked at the jetty was primeline No 9, which was raising flags about the diversion of subsidized goods. At the same time, the closer look of the product packaging found that each 1kg plastic packet proudly showed the halal logo printed on it. But the Plaintiff's representative at the jetty was not able to present any authority letter, marking certificate or official permission letter from the Department of Islamic Development Malaysia for the Plaintiff to use the emblem. The seizure was followed by a civil action filed by the Plaintiffs claiming it was illegal and alleging that the ministry was guilty of malicious media reporting and malicious prosecution and ordering damages in excess of sixteen million ringgits.

Summary of the Case

Having considered the arguments and evidence presented during the trial, the Sandakan High Court rejected the Plaintiffs' entirety statement. The most important factor that was relevant to this outcome was the statutory limitation period under Section 2 of the Public Authorities Protection Act 1948. In granting the Defendants' motion, the court determined that Plaintiffs' right to file a lawsuit for unlawful seizure and malicious reporting had been extinguished by law because the incident took place in June 2018, but Plaintiffs only brought the lawsuit in February 2023. This was a period of time that was well beyond the 36 months allowed for any action against public authorities.

Although the claim was rejected on this basis, the Judicial Commissioner gave a substantial comment on the merits of the seizure. The court noted that the seizure of the cooking oil was "technically illegal" under the Control of Supplies Act 1961 by the enforcement officers. The bench stressed that ship identity discrepancies on the K2 Form is only the jurisdiction of the Royal Malaysian Customs Department while the authenticity of halal logos is solely in the hands of religious authorities, and not within the immediate jurisdiction of the domestic trade ministry through the supplies control law.

The court added that the Defendants did not provide evidence of reasonable suspicion relating to any offense under the Control of Supplies Act 1961 before conducting the field seizure. Therefore, failing to legally coordinate the seizure of bulk cargo, due to violations that are not under their jurisdiction, is a procedural defect. But the Plaintiffs' right of action was already barred by limitation and this enforcement error could not save their civil suit. As to malicious reporting and malicious prosecution claims, the court saw no actual malice by the government agency and denied the Plaintiffs' claims. In addition, the court also confirmed that criminal prosecution is the absolute and constitutional right of the Public Prosecutor and not the investigating ministry. Finally, the Plaintiffs' claim for special damages was dismissed because they were unable to provide any official invoice or receipts, thus imposing an order on the Plaintiffs to pay trial costs to the Defendants.

Means of Evidence

In a forensic analysis, the evidence presented at the trial may be divided into three major classes which may be used to assess the validity of the field operation. The first category are physical – the huge amount of cooking oil stored in the plastic pouches of retailers. The visual halal logo that was printed directly on the surface of each package indicated prima facie that it was being offered to the public as a product that is Shariah compliant.

The second type is evidence in documents showing a discrepancy between what was written and what was done. The customs documents were a logistical mismatch between the registered ship and the ship in the harbor, and the basis for the initial suspicion and claim of the enforcement team about non-transparent logistics. Importantly, this case brings up the idea of non-evidence as important to the forensic proof. The absence of written print permits or certificates of approval during the surprise inspection is negative documentary evidence for the Plaintiff's failure to have adequate logistics management. Lack of supporting documentation to substantiate visual claims of product content in halal forensics can be a strong sign of a data integrity issue.

The final type is testimonial evidence given by the defense's most important witness who led the raid in a sworn statement. He provided the chronology of the visual observations, logical deductions on site, and the initial interrogation of the workers at the jetty about the ship documents and the status of the ship in relation to the halal status of its meat. This oral evidence enabled the court to understand the thinking and working rationale behind the officers' prompt action in seizing the premises.

Issues Involving Halal Forensic in a Decided Case

The finding of the court in this case reveals a few key problems in modern halal forensics, including the weakness of mid-stream logistics. The presence of some products with unconfirmed halal logos at the maritime transit jetty signals that export supply chains are high-risk areas for label manipulation. But rogue industry entities often put on the outside packaging "halal" certification to artificially boost the market value in the export markets while avoiding the proper and valid halal facility audits performed by religious authorities.

This directly brings into focus document forensics and traceability principles, the foundation of halal integrity. In the field of forensic methodology, it is not enough to have a logo with a product, as it cannot be proven to be halal if the documentation chain is broken. This is a direct failure of halal traceability as the company representative was not able to reconcile the physical label with a written approval during the inspection; this means that data was not cross referenced with a centralized halal database.

In addition to the traceability problems, this case also illustrates one of the most important legal forensics battles concerning jurisdiction and governance. The agency's failure to present the merits of the seizure stemmed from a tactical mistake in picking the right legal instrument on the raid. Officers found there was misuse of halal branding, but rather than confiscating the bulk cargo under legislation specifically designed to control volume and distribution, they chose to confiscate the bulk cargo as this legislation wasn't formulated for halal compliance. This procedural error has significant implications for the community of halal forensic experts: any evidence that suggests halal misuse, no matter how strong, may not stand up in court if the investigating body goes beyond the scope of its mandate. Enforcement officers should have made use of specific trade description legislation which specifically covers deceptive halal representations and yet engaged with the religious authorities for the verifications of documents.

Halal Management, Standard and Regulations

The halal regulatory and management system in Malaysia is substantially dependent on the primary legislative tools, which stipulate that the presentation of a commercial product for sale that suggests it is halal is also a serious criminal offence if it is not certified. This legal system aims to shield consumers from such deceptive trading practices based on religious sentiments. These legal regulations complement national standards that define thorough parameters throughout the production, preparation, handling, labelling, transport and storage process. These standards explicitly forbid product packaging or label placement of graphic designs or labels that may lead to confusion or uncertainty about its halal status in the marketplace.

The responsible food industry organizations must have a Halal Assurance System in place to comply with these regulatory expectations. The management system will require companies to implement a robust and clear audit trail for products throughout the supply chain at every level, as well as the recruitment of qualified executives to manage product movement. A working system prevents printing or repackaging labels outside of the approved system, for example at an un-audited third-party warehouse or a transit jetties.

Yet, in this case, there is a gap between industrial halal management and domestic trade law regarding subsidized products. Holistic halal management requires all controlled items with a halal identity to be cross checked and registered at the same time as the supply laws aim to monitor the flow and volume of halal-controlled items. There is a need for harmonization between the domestic market regulators and halal certification bodies so as to prevent the falsification of the halal status of subsidized products for the wrongful purpose of making profit.

Health Implication

There are serious implications for biological safety and public health if the halal logo is used without proper certification and audit from religious bodies on food packaging. If a staple food product does not go through the proper channels of halal verification as it should, then it does not go through the state's quality control process. Therefore, there is a great chance that such products are an illegal reprocess of recycled or gutter oil, which is collected from domestic waste.

The biological and chemical hazards of illegal purification processes are huge. Industrial leftover bleaching agents and concentrated acids are often used in syndicates and cause toxic accumulation which is a hidden poison in the consumer food chain. Moreover, the logistical inadequacies during unauthorized transport and storage can expose the possibility of cross-contamination with severe contamination. This is not only a breach of spiritual purity but also puts the food in unsafe, uncleansed storage conditions.

Thermal degradation is also one of the major risk factors. Illegal reprocessing of oil leads to an increase in trans fats and free radical build up. Cardiologically, this degradation can cause serious cardiovascular

problems, plaque formation in the arteries, ischemic stroke and coronary heart attacks. In the context of food forensics, Halalan Tomyiban requires that the halal requirements must always be tied to cleanliness, safety and nutritional value. Its compromise of the halal integrity cannot simply be considered legal fraud, but also as a biological hazard that is able to cause genetic mutation in the cells and chemical residue remains from the process can be a carcinogenic causative that can lead to various malignant cancers that threaten all consumers.

Conclusion

In the judgment of this case, there is a great lesson concerning the balance between field forensic detection and strict adherence to legal technicalities. While the enforcement officers had valid grounds for suspicion of manipulation of the halal logo and suspicion of documentation discrepancies in the shipping industry, the court decided that the seizure was unlawful because of the misuse of a statute that did not correspond with the crime committed. This result highlights the importance of having legalistic processes that will be able to withstand court challenges to uphold the integrity of the halal.

Enforcement institutions should adopt operational reforms to avoid the recurrence of such procedural errors, by forming regular, inter-agency joint task forces at all maritime exits, and at all land borders. A joint team of domestic trade enforcement officers, personnel from the halal hub and customs departments would be able to ensure that the concurrent offence of customs declaration and counterfeit halal marking are addressed concurrently under their respective parent acts. In a cooperative way, it effectively plugs the “loopholes” that plaintiffs often exploit in civil courts.

References

- Ahmad, A., Abidin, U., Othman, M., & Rahman, R. A. (2018). Overview of the halal food control system in Malaysia. *Food Control*, 90, 352–363. <https://doi.org/10.1016/j.foodcont.2018.02.043>
- Al-Mahmood, O. A., & Fraser, A. M. (2023). Perceived challenges in implementing halal standards by halal certifying bodies in the United States. *PLOS ONE*, 18(12), Artikel e0294970. <https://doi.org/10.1371/journal.pone.0294970>
- Andriani, G., Pio, G., Salzano, E., Vianello, C., & Mocellin, P. (2024). Evaluating the thermal stability of chemicals and systems: A review. *The Canadian Journal of Chemical Engineering*, 102(3), 1012–1028. <https://doi.org/10.1002/cjce.25141>
- Luo, Y., Pan, Y.-R., Wang, X., Wang, Z.-Y., Daigger, G. T., Tang, L.-H., Liu, J., Ren, N.-Q., & Butler, D. (2025). Leveraging the water-environment-health nexus to characterize sustainable water purification solutions. *Nature Communications*, 16, Artikel 842. <https://doi.org/10.1038/s41467-025-56123-x>
- Rahman, A., Singhry, H. B., Hanafiah, M. H., & Abdul, M. (2017). Influence of perceived benefits and traceability system on the readiness for Halal Assurance System implementation among food manufacturers. *Food Control*, 73, 1318–1326. <https://doi.org/10.1016/j.foodcont.2016.10.058>
- Yuswan, M. H., Sani, M. S. A., Abdul Manaf, Y. N., & Mohd Desa, M. N. (2020). Basic requirements of laboratory operation for halal analysis. *Dalam Proceedings of the International Conference on Islam, Economy, and Halal Industry* (pp. 55–58).