

**LAW OF THE REPUBLIC OF INDONESIA
NUMBER 4 OF 2009
ON
MINERAL AND COAL MINING**

WITH THE GRACE OF ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

- a. that minerals and coal that buried in the mining jurisdiction of Indonesia represents non-renewable natural wealth which is a gift from the almighty god and which possesses an important role in the fulfilling the needs of life of many people, therefore the management of these resources must be under the control of the State in order to provide real value-add to the national economy in an effort to achieve prosperity and wealth for the community in a fair manner;
- b. that mineral and coal mining business activities represent mining activities that are outside the scope of geothermal power, oil and gas, as well as ground water, possess an important role in providing real value-add to the continuing growth of the national economy and regional development;
- c. that in consideration of national and international growth, Law Number 11 of 1967 on the Basic Mining Provisions is no longer appropriate and therefore there needs to be an amendment of the legislation in the mineral and coal mining sector which can manage and exploit the potential of mineral and coal resources in a manner that is independent, reliable, transparent, competitive, efficient, and perceptive of the environment, in order to guarantee sustainable national development;
- d. that based on the considerations as stated in letter a, letter b, and letter c, there is a need to formulate a Law on Mineral and Coal Mining.

In View Of:

Article 5 paragraph (1), Article 20, and Article 33 paragraph (2) of the 1945 Constitution of the Republic of Indonesia.

With the Agreement of:

THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA

and

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

DECIDES:

To Confirm:

THE LAW ON MINERALS AND COAL MINING

CHAPTER 1 GENERAL PROVISIONS

Article 1

In this Law the following definitions apply:

1. Mining is a part or all activity stages in the framework of mineral and coal research, management, and exploitation and which includes general investigations, exploration, feasibility studies, construction, mining, processing and purification, transport, and sales, as well as post-mining activities.
2. Minerals are inorganic compounds that are created in nature, and which possess specific physical and chemical characteristics as well as an arranged crystal composition or a combination of the above in the form of ores, either free or solid.
3. Coal is an organic carbon sediment compound that is formed naturally from plants.
4. Mineral Mining is the mining of mineral groups that comprise of ore of ore, aside from geothermal, oil and gas, and ground water.
5. Coal Mining is the mining of carbon sediments that can be found in the earth, and includes solid bitumen, peat, and asphalt.
6. Mining Efforts are activities within the framework of exploiting minerals and coal and which includes the activity stages of general investigation, exploration, feasibility studies, construction, mining, processing and purification, transportation and sales, as well as post-mining activities.
7. Mining Efforts License (Izin Usaha Pertambangan), hereinafter referred to as IUP, is a license for the implementation of mining efforts.
8. An Exploration IUP is a license that is granted for the purposes of undertaking the general investigation, exploration, and feasibility study stages.
9. A Production Operations IUP is a license that is granted once having completed the implementation of the Exploration IUP for the purposes of undertaking the production operations stage of activity.
10. Community Mining License (Izin Pertambangan Rakyat), hereinafter referred to as IPR, is a license to implement mining efforts in community mining territories with limited size and investment.
11. Special Mining Efforts License (Izin Usaha Pertambangan Khusus), hereinafter referred to as IUPK, is a license to implement mining efforts in special mining efforts license territories.
12. An Exploration IUPK is a license that is granted to implement the general investigation, exploration, and feasibility studies activity stages in special mining efforts license territories.
13. A Production Operations IUPK is a license that is granted after the implementation of the Exploration IUPK has been completed and is for the production operations activity stage in the special mining efforts license zone.
14. General Investigation is an activity stage that is to gain knowledge of the regional geological condition and to determine if there is any indication of mineralization.
15. Exploration is the mining activity stage for obtaining detailed information and to study the location, form, dimension, distribution, quality and measurements of reserves from mined material, as well as information concerning the social environment and the living environment.
16. A Feasibility Study is a mining activity stage to obtain detailed information on all aspects related to the determining of the economic and technical mining feasibility, including analysis concerning the impact on

the environment and post-mining planning.

17. Production Operations is a mining activity stage that includes construction, mining, processing, purification, including transportation and sales, as well as the means to control impacts on the environment in accordance with the findings of the feasibility study.
18. Construction is a mining activity to implement the development of all production operations facilities, including environmental impact controls.
19. Mining is a component of the mining activities to produce minerals and / or coal and derivative minerals.
20. Processing and Purification are elements of the mining activities to improve mineral and / or coal quality, as well as to exploit and obtain any derivate minerals.
21. Transport is the mining activity to move minerals and / or coal from the mine site and / or processing and purification plant to a delivery point.
22. Sales are the mining activity to sell the extracted minerals or coal.
23. A Company is every incorporated entity that operates in the mining sector, and which has been established based on Indonesian law and is resident within the territory of the Unitary Republic of Indonesia.
24. Mining Services are support services that are related to mining activities.
25. Analysis Concerning Environmental Impact (Analisis Mengenai Dampak Lingkungan), hereinafter referred to as amdal, is a study concerning the large and important impacts of an effort and / or activity that is planned for the environment, and which is needed for the process of making a decision on the implementation of the effort and / or activity.
26. Reclamation is an activity that is carried out in the mining stages to organize, restore, and repair the quality of the environment and the ecosystem in order to return the function of the environment to its original purpose.
27. Post-Mining activities, hereinafter referred to as post-mining, are activities that are planned, systematic, and continuing after a part or all mining activities are complete in order to restore the functions of the natural environment and social functions according to local conditions throughout the mining zone.
28. Community Empowerment is an effort to increase the capabilities of the community, both individually and collectively, in order to improve quality of life.
29. Mining Zone (Wilayah Pertambangan), hereinafter referred to as WP, is a zone that holds mineral and / or coal potential and one that is not linked to restrictions of government administration and represents a part of the national spatial plan.
30. Mining Efforts Zone (Wilayah Usaha Pertambangan), hereinafter referred to as WUP, is a part of the WP that already possesses available data, potential, and / or geological information.
31. Mining Efforts Zone License (Wilayah Izin Usaha Pertambangan), hereinafter referred to as WIUP, is a zone that is granted to the holder of an IUP.
32. Community Mining Zone (Wilayah Pertambangan Rakyat), hereinafter referred to as WPR, is a part of the WP that is to be used for activities related to community mining efforts.
33. A State Reserves Zone (Wilayah Pencadangan Negara), hereinafter referred to as WPN, is a part of the WP which is reserved for the strategic national interest.
34. The Special Mining Efforts Zone (Wilayah Usaha Pertambangan Khusus), hereinafter referred to as WUPK, is a part of the WPN that can be worked.
35. The Special Mining Efforts Zone License (Wilayah Izin Usaha Pertambangan Khusus), hereinafter referred to as WIUPK, is a zone that is granted to the holder of an IUPK.

36. The Central Government, hereinafter referred to as the Government, is the President of the Republic of Indonesia and who holds the power of Governance of the Republic of Indonesia as stated in the 1945 Constitution of the Republic of Indonesia.
37. Regional Government is the Governor, the Regent, or Mayor, and regional means as an element of the organization of Regional Government.
38. The Minister is the minister who manages government affairs in the mineral and coal mining sector.

CHAPTER II BASIS AND OBJECTIVES

Article 2

Mineral and / or coal mining management is to be based on:

- a. merit, fairness, and balance;
- b. to side on the national interest;
- c. participative, transparency, and accountability;
- d. sustainable and perceptive of the environment.

Article 3

Within the framework of supporting national development that is continuous, the objectives of mineral and coal management are:

- a. to guarantee the effectiveness of implementation and the control of mining business activities in a manner that is efficient, useful, and competitive;
- b. to guarantee the benefits of mineral and coal mining are continuing and perceptive of the natural environment;
- c. to guarantee the supply of minerals and coal as a raw material and / or as a source of energy for domestic needs;
- d. to support and grow the expansion of national capabilities so that there is greater competitive ability at the national, regional, and international levels;
- e. to increase the incomes of the community at the local, regional, and national level, while simultaneously creating an employment environment that provides the greatest prosperity for the community; and
- f. to guarantee legal certainty in the organization of mineral and coal mining business activities.

CHAPTER III CONTROL OF MINERALS AND COAL

Article 4

- (1) Minerals and coal as a non-renewable natural resource constitutes national wealth that is to be controlled by the State for the greater prosperity of the community.

- (2) Control over minerals and coal by the state as stated in paragraph (1) is to be implemented by the Government and / or Regional Governments

Article 5

- (1) In the national interest, the Government after consultation with the House of Representatives of the Republic of Indonesia may determine primary minerals and / or coal policy in the domestic interest.
- (2) The national interest as stated in paragraph (1) can be undertaken in the control of production and export.
- (3) In the implementation of control as stated in paragraph (2), the Government possesses the authority to determine the amount of production of every commodity per year in every province.
- (4) Regional Government is required to comply with the amount that is determined by the Government as stated in paragraph (3).
- (5) Further provisions concerning the primary mineral and / or coal [policy] in the domestic interest as stated in paragraph (1) and the control of production and export as stated in paragraph (2) and paragraph (3) will be regulated in Government Regulation.

CHAPTER IV

AUTHORITY TO MANAGE MINERALS AND COAL MINING

Article 6

- (1) The authority of the Government in the management of minerals and coal mining, among others, includes
 - a. determine national policy;
 - b. to produce legislation;
 - c. determine national standards, guidelines, and criteria;
 - d. determine a national minerals and coal mining licensing system;
 - e. determine WP that is to be undertaken after coordination with the regional government and consultation with the House of Representatives of the Republic of Indonesia;
 - f. to grant IUP, provide guidance, resolve community conflicts, and supervise mining efforts that exist on the provincial boundaries and / or the sea boundaries that are more than 12 (twelve) miles from the coastline;
 - g. grant IUP, [provide] guidance, resolve community conflicts, and supervise mining efforts whose mining location exists on the provincial boundaries and / or sea boundaries that are more than 12 (twelve) miles from the coastline;
 - h. grant IUP, [provide] guidance, resolve community conflicts, and supervise mining efforts whose production operations impact directly on the environment on the provincial boundaries and / or sea boundaries that are more than 12 (twelve) miles from the coastline;
 - i. grant Exploration IUPK and Production Operations IUPK;
 - j. evaluation of Production Operations IUP that have been issued by regional governments and have resulted in environmental damage as well as not applying proper mining rules;
 - k. determine production, marketing, exploitation, and conservation policy;
 - l. determine policy on cooperation, partnership, and community empowerment;

- m. compile and determine non-tax state revenue from profits from minerals and coal mining efforts;
 - n. guidance and supervision of the organization for the management of minerals and coal mining that is undertaken by regional government;
 - o. guidance and supervision of the compilation of regional regulations in the mining sector;
 - p. taking inventory, investigation, and research including exploration in the framework of collecting data and information on minerals and coal as material for the compilation of the WUP and the WPN;
 - q. manage geological information, information on the potential of mineral and coal resources, as well as information on mining at the national level;
 - r. guidance and supervision of land reclamation post-mining;
 - s. compile a balance sheet of mineral and coal resources at the national level;
 - t. expand and raise the value-add of mining business activities; and
 - u. increase the capabilities of the machinery of the Government, provincial government, and district / city government levels in the organization of mining business management.
- (2) The authority of Government as stated in paragraph (1) is to be performed in accordance with provisions contained in laws and regulations.

Article 7

- (1) The authorities of provincial government in the management of mineral and coal mining, among others, are:
- a. produce regional laws and regulations;
 - b. grant IUP, guidance, resolve community conflicts and supervise mining efforts on the boundaries of district / city territories and / or sea territories from 4 (four) miles up to and including 12 (twelve) miles;
 - c. grant IUP, guidance, resolve community conflicts and supervise production operations mining efforts whose activities are on the boundaries of district / city territories and / or sea territories from 4 (four) miles up to and including 12 (twelve) miles;
 - d. grant IUP, guidance, resolve community conflicts and supervise mining efforts directly impact on the environment on the boundaries of district / city territories and / or sea territories from 4 (four) miles up to and including 12 (twelve) miles;
 - e. taking inventory, investigation, and research including exploration in the framework of collecting data and information on minerals and coal pursuant with their authorities;
 - f. manage geological information, information on the potential of mineral and coal resources, as well as information on mining at the regional / provincial level;
 - g. compile a balance sheet of mineral and coal resources at the regional / provincial level;
 - h. expand and raise the value-add of mining business activities in the provinces;
 - i. expand and increase the role of the community in mining efforts with attention to environmental protection;
 - j. licensing coordination and supervision of the use of explosives in their respective mining territories in accordance with their authority;
 - k. submit information results on inventory, general investigations, and research, including exploration, to the Minister and the Regent / Mayor;

- l. submit information results on production, domestic sales, as well as exports to the Minister and the Regent / Mayor;
 - m. guidance and supervision of the land reclamation post-mining; and
 - n. increase the capabilities of the machinery of the provincial government, and district / city government levels in the organization of mining business management.
- (2) The authorities of the provincial government as stated in paragraph (1) is to be undertaken in accordance with the provisions of laws and regulations.

Article 8

- (1) The authorities of the district / city government in the management of mineral and coal mining, among others, are:
- a. produce regional legislation;
 - b. grant IUP and IPR, guidance, resolve community conflicts and supervise mining efforts on the boundaries of district / city territories and / or sea territories from 4 (four) miles;
 - c. grant IUP and IPR, guidance, resolve community conflicts and supervise production operations mining efforts whose activities are within the boundaries of district / city territories and / or sea territories from 4 (four) miles;
 - d. taking inventory, investigation, and research including exploration in the framework of collecting data and information on minerals and coal;
 - e. manage geological information, information on the potential of mineral and coal resources, as well as information on mining at the district / city level;
 - f. compile a balance sheet of mineral and coal resources at the regional / district / city level
 - g. expand and empower the local community in mining efforts with attention to environmental protection;
 - h. expand and raise the value-add and benefits of mining activities in an optimal manner;
 - i. submit information results on inventory, general investigations, and research, including exploration, to the Minister and the Governor;
 - j. submit product results information, domestic sales, as well as exports to the Minister and the Governor;
 - k. guidance and supervision of post-mining land reclamation; and
 - l. increase the capabilities of the machinery of the district / city government levels in the organization of mining business management.
- (2) The authorities of the district / city government as stated in paragraph (1) is to be undertaken in accordance with the provisions of laws and regulations.

CHAPTER V MINING TERRITORIES

Part One General

Article 9

- (1) The WP as a part of the national spatial plan constitutes the basis for the determination of mining activities.
- (2) The WP as stated in paragraph (1) is to be determined by the Government after coordination with the Regional Government and consultation with the House of Representatives of the Republic of Indonesia.

Article 10

The determination of the WP as stipulated in Article 9 paragraph (2) is to be undertaken:

- a. in a manner that is transparent, participative, and subject to responsibility;
- b. in a manner that is integrated with attention to the opinions of the related government agencies, the community, and with consideration of the ecological, economy, and socio-cultural aspects, as well as being perceptive of the environment; and
- c. with attention to regional aspirations.

Chapter 11

The Central and Regional Governments are obligated to undertake mining investigations and research in the framework of preparing the WP.

Chapter 12

Further provisions concerning the boundaries, zone, and mechanisms for the determination of a WP as stated in Article 9, Article 10, and Article 11 are to be regulated with Government Regulation.

Article 13

A WP comprises of:

- a. WUP
- b. WPR; and
- c. WPN.

Part Two

Mining Business Territories

Article 14

- (1) The determination of a WUP is by the Government after coordination with the Regional Government and it is to be submitted in written form to the House of Representatives of the Republic of Indonesia.
- (2) Coordination as stated in paragraph (1) is undertaken with the relevant Regional Government based on data and information that is held by both the Government and the Regional Government.

Article 15

The Government can designate part of its authority in the determination of the WUP as stated in Article 14 paragraph (1) to the provincial government in accordance with the provisions of laws and regulations.

Article 16

One WUP comprises of 1 (one) or several WIUP that exist on the provincial boundary, the district / city boundary, and / or in 1 (one) district / city zone.

Article 17

The area and the boundary of the WIUP for metals and coal are to be determined by the Government in coordination with Regional Government based on the criteria held by the Government.

Article 18

Criteria to determine 1 (one) or several WIUP in 1 (one) WUP are as follows:

- a. geographical location;
- b. conservation study;
- c. support environmental protection
- d. optimalization of mineral and / or coal resources; and
- e. the level of population density.

Article 19

Further provisions concerning the procedures for determining boundaries and areas of WIUP as stated in Article 17 will be regulated in Government Regulation.

Part Three

Community Mining Territories

Article 20

Community mining activities are to be carried out in a WPR.

Article 21

The WPR as stated in Article 20 is to be determined by the Regent / Mayor after consultation with the District / City Regional House of Representatives.

Article 22

The criteria for the determination of the WPR are as follow:

- a. possess secondary mineral reserves that are located in rivers and / or between the banks of rivers;

- b. possess primary metal or coal reserves with a maximum depth of 25 (twenty five) meters;
- c. terrace sediment, flood plains, and ancient river sediment;
- d. the maximum zone for community mining is 25 (twenty five) hectares;
- e. state the type of commodity that is to be mined; and / or
- f. constitute a zone or location of community mining activity that has already been exploited for at least 15 (fifteen) years.

Article 23

In determining the WPR as stated in Article 21, the Regent / Mayor are required to make an announcement concerning the WPR plan to the community in an open manner.

Article 24

The zone or the community mining activity location that is already being exploited but has not yet been determined as a WPR is to be prioritized for determination as a WPR.

Article 25

Further provisions concerning the guidelines, procedures, and determination as a WPR as stated in Article 21 and Article 23 are to be regulated in Government Regulations.

Article 26

Further provisions concerning the criteria and mechanisms for determining a WPR as stated in Article 22 and Article 23 are to be regulated in District / City Regional Regulations.

Part Four

State Reserves Territories

Article 27

- (1) In the strategic national interest, the Government with the agreement of the House of Representatives of the Republic of Indonesia and with attention to regional aspirations is to determine the WPN as regions that are reserved for specific commodities and conservation regions in the framework of protecting the balance of the ecosystem and the environment.
- (2) The WPN that has been determined for specific commodities as stated in paragraph (1) can be worked as a zone area with the agreement of the House of Representatives of the Republic of Indonesia.
- (3) The WPN that has been determined for conservation as stated in paragraph (1) can be restricted by time with the agreement of the House of Representatives of the Republic of Indonesia.
- (4) A zone that is worked as stated in paragraph (2) and paragraph (3) changes its status to a WUPK.

Article 28

Changing the status of a WPN as stated in Article 27 paragraph (2), paragraph (3), and paragraph (4) to a WUPK can be done with these considerations:

- a. the fulfillment [in supply] of raw materials for domestic industry and energy;
- b. source of state foreign exchange;
- c. zone conditions with respect to limitations in equipment and infrastructure;
- d. potential to be developed as a center of economic growth;
- e. environmental support; and / or
- f. the utilization of high technology and large capital investment.

Article 29

- (1) The WUPK as stated in Article 27 paragraph (4) that will be exploited are to be determined by the Government after coordination with the Regional Government.
- (2) The implementation of the mining activities in the WUPK, as stated in paragraph (1), are to be in the form of an IUPK.

Article 30

One WUPK consists of 1 (one) or several WIUPK that are situate on the provincial boundary, the district / city boundary, and / or within 1 (one) district / city zone.

Article 31

The size and limitations of the WIUPK for metal minerals and coal is determined by the Government in coordination with Regional Governments based on the criteria and information held by the Government.

Article 32

Criteria for the determination of 1 (one) or several WIUPK in 1 (one) WUPK are as follows:

- a. geographical location;
- b. conservation rules;
- c. environmental protection supports
- d. optimalization of mineral and / or coal resources; and
- e. level of population density.

Article 33

Further provisions concerning the procedures for determining the area and boundaries of the WIUPK as stated in Article 31 and Article 32 are to be regulated in Government Regulation.

CHAPTER VI MINING EFFORTS

Article 34

- (1) Mining efforts are grouped as:
 - a. mineral mining; and
 - b. coal mining.
- (2) Mineral mining as stated in paragraph (1) letter a are categorized as:
 - a. radioactive mineral mining;
 - b. metal mining
 - c. non-metal mineral mining; and
 - d. ore mining.
- (3) Further provisions concerning the determination of a mining commodity into a particular mineral category as stated in paragraph (2) are to be regulated in Government Regulations.

Article 35

Mining efforts as stated in Article 34 are to be undertaken in the form of:

- a. IUP;
- b. IPR; and
- c. IUPK.

CHAPTER VII MINING EFFORTS LICENSES

Part One General

Article 36

- (1) IUP comprises of two stages:
 - a. IUP Exploration covers exploration activities and feasibility studies;
 - b. IUP Production Operations covers construction, mining, processing, purification, as well as transportation and sales activities.
- (2) The holder of the Exploration IUP and the holder of the [Production Operations] IUP can undertake a part or all [of those matters] stated in paragraph (1).

Article 37

The IUP is to be granted by:

- a. the Regent / Mayor where the WIUP is within one district / city zone;

- b. the Governor where the WIUP exists on the border of districts / cities in 1 (one) province after getting a recommendation from the relevant Regent / Mayor in accordance with the laws and regulations; and
- c. The Minister where the WIUP exists on the border of provinces after getting a recommendation from the relevant Governor and the Regent / Mayor in accordance with the laws and regulations.

Article 38

The IUP is granted to:

- a. corporate entities;
- b. cooperatives; and
- c. individuals.

Article 39

- (1) The IUP Exploration as stated in Article 36 paragraph (1) letter a is required to contain at least the following provisions:
 - a. company name;
 - b. location and size of zone;
 - c. general spatial plan;
 - d. complete guarantee;
 - e. capital investment;
 - f. time extension for activity stages;
 - g. rights and obligations of the IUP holder;
 - h. time frame for the validity of the activity stages;
 - i. type of efforts granted;
 - j. development and community empowerment plan for the zone around the mine [site];
 - k. taxation;
 - l. dispute resolution;
 - m. compulsory contributions and exploration contributions; and
 - n. environmental impact studies.
- (2) Production Operations IUP as stated in Article 36 paragraph (1) letter b requires, at least, the following:
 - a. company name;
 - b. size of the zone;
 - c. location of the mine;
 - d. location of processing and purification;
 - e. transport and sales;
 - f. capital investment;
 - g. the time period of validity of the IUP;

- h. time period for validity of activity stages;
- i. land dispute resolution;
- j. environment including reclamation and post-mining;
- k. guaranteed funds for reclamation and post-mining;
- l. extension of the IUP;
- m. rights and obligations of the IUP holder;
- n. development and community empowerment plan for the zone around the mine [site];
- o. taxation;
- p. non-tax state revenue which comprise of compulsory contributions and production contributions;
- q. dispute resolution;
- r. occupational health and safety;
- s. mineral and coal conservation;
- t. exploitation of goods, services, and domestic technology;
- u. application of the proper mining economic and technique rules;
- v. development of Indonesian labor;
- w. management of mineral and coal data; and
- x. Control, development, and application of mineral and coal mining technology.

Article 40

- (1) An IUP as stated in Article 36 paragraph (1) is to be granted for 1 (one) kind of mineral or coal.
- (2) The holder of an IUP as stated in paragraph (1) who discovers other minerals in the WIUP that they manage is to be given priority in exploiting those minerals.
- (3) The holder of an IUP who desires to exploit the other minerals as stated in paragraph (2) is obligated to submit a new IUP application to the Minister, the Governor, and the Regent / Mayor pursuant to their authorities.
- (4) The holder of an IUP as stated in paragraph (2) can assert that they are not interested in exploiting other minerals that they discover.
- (5) The holder of an IUPK who is not interested in exploiting any other minerals they may discover, as stated in paragraph (4), are obligated to protect the noted minerals in order that they are not exploited by other parties.
- (6) An IUPK for other minerals as stated in paragraph (4) and paragraph (5) can be granted to another party by the Minister, the Governor, and the Regent / Mayor pursuant to their authorities.

Article 41

The IUP cannot be used for any other purpose than that stated in the granted IUP.

Part Two

Exploration IUP

Article 42

- (1) An Exploration IUP to mine metal minerals can be granted for a maximum time period of 8 (eight) years.
- (2) An Exploration IUP to mine non-metal minerals can be granted for a maximum time period of 3 (three) years and certain kinds of non-metal minerals can be granted for a maximum time period of 7 (seven) years.
- (3) An Exploration IUP to mine ores can be granted for a maximum time period of 3 (three) years.
- (4) An Exploration IUP to mine coal can be granted for a maximum time period of 7 (seven) years.

Article 43

- (1) In the matter of exploration activities and feasibility studies activities, the holder of an Exploration IUP who obtains extracted minerals and coal is obligated to report this to the provider of the IUP.
- (2) The holder of an Exploration IUP who desires to sell minerals or coal as stated in paragraph (1) are obligated to provide a temporary license to undertake transport and sales [activities].

Article 44

The temporary license as stated in Article 43 paragraph (2) is granted by the Minister, the Governor, or the Regent / Mayor pursuant to their authorities.

Article 45

Minerals or coal that is extracted as stated in Article 43 is subject to a production contribution.

Part Three

Production Operations IUP

Article 46

- (1) Every holder of an Exploration IUP is guaranteed to obtain a Production Operations IUP as a continuation of their mining activities
- (2) A Production Operations IUP can be granted to a company, a cooperative, or an individual as a result of a metal minerals and coal WIUP tender, and who already possess feasibility study research data.

Article 47

- (1) A Production Operations IUP to mine metal minerals can be granted for a maximum time period of 20 (twenty) years and can be extended 2 (two) times and each time for a period of 10 (ten) years.
- (2) A Production Operations IUP to mine non-metal minerals can be granted for a maximum time period of 10 (ten) years and can be extended 2 (two) times and each time for a period of 5 (five) years.
- (3) A Production Operations IUP to mine certain kinds of non-metal minerals can be granted for a maximum

time period of 20 (twenty) years and can be extended 2 (two) times and each time for a period of 10 (ten) years.

- (4) A Production Operations IUP to mine ores can be granted for a maximum time period of 5 (five) years and can be extended 2 (two) times and each time for a period of 5 (five) years.
- (5) A Production Operations IUP to mine coal can be granted for a maximum time period of 20 (twenty) years and can be extended 2 (two) times and each time for a period of 10 (ten) years.

Article 48

A Production Operations IUP is granted by:

- a. the Regent / Mayor if the mining location, processing and purification location, and the port is located within one district / city territory;
- b. the Governor if the mining location, processing and purification location, and the port is located in different territories of districts / cities after obtaining a recommendation from the relevant Regents / Mayors pursuant to the provisions of laws and regulations; and
- c. the Minister if the mining location, processing and purification location, and the port is located within different provinces after obtaining a recommendation from the relevant Governors and Regents / Mayors pursuant to the provisions of laws and regulations.

Article 49

Further provisions concerning the procedures for the granting of an Exploration IUP as stated in Article 42 and a Production Operations IUP as stated in Article 46 are to be regulated in Government Regulation.

Part Four Mineral Mining

Paragraph 1 Mining Radioactive Minerals

Article 50

The WUP for radioactive minerals is to be determined by the Government and the exploitation is to be implemented pursuant to the provisions of the laws and regulations.

Paragraph 2 Mining Metal Minerals

Article 51

The WIUP for metal minerals is granted to companies, cooperatives, and individuals through a tender.

Article 52

- (1) The holder of an Exploration IUP for metal minerals is granted a WIUP with a minimum area of 5,000 (five thousand) hectares and a maximum of 100,000 (one hundred thousand) hectares.
- (2) In the zone that has already been granted an Exploration IUP for metal minerals an IUP can be granted to another party to exploit other minerals that are to be obtained differently.
- (3) The grant of an IUP as stated in paragraph (2) is to be done after considering the opinion of the first IUP holder.

Article 53

The holder of a Production Operations IUP for metal minerals is granted a WIUP with a maximum area of 25,000 (twenty five thousand) hectares.

Paragraph 3

Mining Non-Metal Minerals

Article 54

The WIUP for non-metal minerals is granted to companies, cooperatives, and individuals in an application process for the zone to the provider of the license as stated in Article 37

Article 55

- (1) The holder of the Exploration IUP for non-metal minerals is granted a WIUP with a minimum area of 500 (five hundred) hectares and a maximum of 25,000 (twenty five thousand) hectares.
- (2) In the zone that has already been granted an Exploration IUP for non-metal minerals an IUP can be granted to another party to exploit other minerals that are to be obtained differently
- (3) The grant of an IUP as stated in paragraph (2) is to be done after considering the opinion of the first IUP holder

Article 56

The holder of a Production Operations IUP for non-metal minerals is granted a WIUP with a maximum area of 5,000 (five thousand) hectares.

Paragraph 4

Ore Mining

Article 57

The WIUP for ore mining is to be granted to companies, cooperatives, and individuals through an application process for the relevant zone and submitted to the provider of the license as stated in Article 37.

Article 58

- (1) The holder of a ore Exploration IUP is granted a WIUP with a minimum area of 5 (five) hectares and a maximum area of 5,000 (five thousand) hectares.
- (2) The zone for which an ore Exploration IUP has already been granted an IUP may be granted to another party to exploit other minerals which are obtained differently.
- (3) The granting of an IUP as stated in paragraph (2) is undertaken after consideration of the opinions of the first IUP holder.

Article 59

The holder of an ore Production Operations IUP is to be granted a WIUP with a maximum area of 1,000 (one thousand) hectares.

Part Five Coal Mining

Article 60

The WIUP for coal is granted to companies, cooperatives, and individuals in a tender process.

Article 61

- (1) The holder of a Coal Exploration IUP is granted a WIUP with a minimum area of 5,000 (five thousand) hectares and a maximum of 50,000 (fifty thousand) hectares.
- (2) The zone for which a coal Exploration IUP has already been granted an IUP may be granted to another party to exploit other minerals which are obtained differently.
- (3) The granting of an IUP as stated in paragraph (2) is undertaken after consideration of the opinions of the first IUP holder.

Article 62

The holder of Coal Production Operation IUP is granted a WIUP with a maximum area of 15,000 (fifteen thousand) hectares.

Article 63

Further provisions concerning the procedures for obtaining a WIUP as stated in Article 51, Article 54, Article 57, and Article 60 are to be regulated in Government Regulations.

CHAPTER VIII CONDITIONS FOR MINING EFFORTS LICENSING

Article 64

The Government and the Regional Governments in accordance with their respective authorities are obligated to announce mining efforts activity plans in the WIUP as intended in Article 16 as well as grant an Exploration IUP and a Production Operations IUP as intended in Article 36 to the community in a transparent manner.

Article 65

- (1) Companies, cooperatives, and individuals as stated in Article 51, Article 54, Article 57, and Article 60 who undertake mining efforts are required to fulfill administrative conditions, technical conditions, environmental conditions, and financial conditions.
- (2) Further provisions concerning administrative conditions, technical conditions, environmental conditions, and financial conditions as stated in paragraph (1) are to be regulated in Government Regulation.

CHAPTER IX COMMUNITY MINING LICENSES

Article 66

Community mining activities as stated in Article 20 are categorized as follows:

- a. metal mining;
- b. non-metal mining;
- c. ore mining; and / or
- d. coal mining.

Article 67

- (1) The Regent / Mayor is to grant an IPR primarily to local citizens, either individuals or community groups and / or cooperatives.
- (2) The Regent / Mayor may delegate their authority in the implementation of granting an IPR as stated in paragraph (1) to the sub-district head in accordance with the laws and regulations.
- (3) To obtain an IPR as stated in paragraph (1), the applicant is required to submit an application letter to the Regent / Mayor.

Article 68

- (1) The size of the zone for 1 (one) IPR that is granted to:
 - a. an individual is to be a maximum of 1 (one) hectare;
 - b. a community group is to be a maximum of 5 (five) hectares; and / or
 - c. a cooperative is to be a maximum of 10 (ten) hectares.
- (2) An IPR is to be granted for a maximum time period of 5 (five) years and it may be extended.

Article 69

The holder of an IPR has the right:

- a. to obtain guidance and supervision in the field of occupational health and safety, the environment, technical mining, and management and Government and / or Regional Government; and
- b. To obtain capital assistance in accordance with laws and regulations.

Article 70

The holder of an IPR is obligated:

- a. to undertake mining activities no later than 3 (three) months after the IPR is issued;
- b. to comply with the laws and regulations in the field of mining occupational health and safety, environmental management, and fulfill any prevailing standards;
- c. to manage the environment together with Regional Government;
- d. to pay compulsory contributions and production contributions; and
- e. to submit periodic reports on the implementation of community mining business activities to the grantor of the IPR.

Article 71

- (1) Aside from the obligation as stated in Article 70, a holder of an IPR in carrying out community mining activities as stated in Article 66 is obligated to obey the provisions relating to technical mining requirements.
- (2) Further provisions concerning the technical mining requirements as stated in paragraph (1) are to be regulated in Government Regulations.

Article 72

Further provisions concerning the procedures for the granting of an IPR are to be regulated in District / City Regional Regulations.

Article 73

- (1) District / City Government is to implement guidance in exploitation, mining technology, as well as capital and marketing in an attempt to increase the capabilities of community mining efforts.
- (2) District / City Government is responsible for technical safety at community mining efforts, including:
 - a. occupational health and safety;
 - b. environmental management; and
 - c. post-mining.
- (3) In order to implement the technical safety as stated in paragraph (2), the District / City Government is obligated to appoint a functional officer as a mining inspector pursuant to the provisions of laws and regulations.
- (4) District / City Government is obligated to record production outcomes and all community mining activities that are located within their territory and report this periodically to the Minister and the relevant Governor.

CHAPTER X

MINING EFFORTS SPECIAL LICENSES

Article 74

- (1) The IUPK is granted by the Minister with attention to regional interests.
- (2) The IUPK as stated in paragraph (1) is granted for 1 (one) type of metal or coal in 1 (one) WIUPK.
- (3) The holder of an IUPK as stated in paragraph (1) that discovers other minerals in the WIUPK which it manages are to be given priority to mine them.
- (4) The holder of an IUPK who intends to exploit minerals other than stated in paragraph (2) are required to submit an application for a new IUPK to the Minister.
- (5) The holder of an IUPK as stated in paragraph (2) can assert that they are not interested in exploiting other minerals that they discover.
- (6) The holder of an IUPK who is not interested in exploiting any other minerals they may discover as stated in paragraph (4), are obligated to protect the noted minerals in order that they are not exploited by other parties.
- (7) An IUPK for other minerals as stated in paragraph (4) and paragraph (5) can be granted to another party by the Minister.

Article 75

- (1) The granting of an IUPK as stated in Article 74 paragraph (1) is to be done based on the considerations stated in Article 28.
- (2) An IUPK as stated in paragraph (1) can be granted to a company that is incorporated in Indonesia, either as a state-owned enterprise, regional-owned enterprise, or as a private company.
- (3) A state-owned enterprise and a regional-owned enterprise as stated in paragraph (2) are given priority in obtaining an IUPK.
- (4) A private company as stated in paragraph (2) are to obtain an IUPK through a WIUPK tender process.

Article 76

- (1) An IUPK comprises of two stages:
 - a. An Exploration IUPK that covers general investigation, exploration, and feasibility study activities;
 - b. A Production Operations IUPK that covers construction, mining, processing and purification, as well as transportation and sales activities.
- (2) The holder of an Exploration IUPK and the holder of a Production Operations IUPK can undertake a part or all of the activities as stated in paragraph (1).
- (3) Further provisions concerning the procedures for obtaining an IUPK as stated in paragraph (1) are to be regulated in Government Regulations.

Article 77

- (1) Every holder of an Exploration IUPK is guaranteed to obtain a Production Operations IUPK as a continuation of their mining activities.

- (2) A Production Operations IUPK can be granted to a company that is incorporated in Indonesia as stated in Article 75 paragraph (3) and paragraph (4), and who already have feasibility studies research data.

Article 78

The IUPK Production Operations as stated in Article 76 paragraph (1) letter a is required to note, at least:

- a. company name;
- b. size and location of territory;
- c. general spatial plan;
- d. complete guarantee;
- e. capital investment;
- f. extension of time for activity stages;
- g. rights and obligations of the IUPK holder;
- h. time period for validity of activity stages;
- i. types of business granted;
- j. community development and empowerment plan for the area around the mining site;
- k. taxation;
- l. dispute resolution of land matters;
- m. compulsory contributions and exploration contributions; and
- n. environmental impact study.

Article 79

The IUPK Production Operations as stated in Article 76 paragraph (1) letter b is required to note, at least:

- a. company name;
- b. size of territory;
- c. location of mine;
- d. location of processing and purification;
- e. transportation and sales;
- f. capital investment;
- g. period of activity stages;
- h. resolution of land disputes;
- i. environment, including reclamation and post-mining;
- j. guarantee reclamation funds and post-mining guarantee;
- k. period of validity of an IUPK;
- l. extension of an IUPK;
- m. rights and obligations;

- n. the development and empowerment of the community in the area of the mine [site];
- o. taxation;
- p. compulsory contributions and production contributions as a part of state / regional revenue, which consists of profit share and clean profit since production commenced;
- q. dispute resolution;
- r. occupational health and safety;
- s. mineral and coal conservation;
- t. exploitation of goods, services, technology, and engineering capabilities and domestic engineering;
- u. application of the proper mining economic and technique rules;
- v. development of Indonesian labor;
- w. management of mineral and coal data;
- x. control, development, and application of mineral and coal mining technology; and
- y. divestment of shares.

Article 80

An IUPK cannot be utilized in any other way than intended in the grant of the IUPK.

Article 81

- (1) In the matters of exploration activities and feasibility studies activities, the holder of an Exploration IUPK who obtains extracted metal minerals is obligated to report this to the Minister.
- (2) The holder of an Exploration IUPK who desires to sell metal minerals or coal as stated in paragraph (1) is obligated to show a temporary license to undertake transport and sales [activities].
- (3) A temporary license as stated in paragraph (2) is to be granted by the Minister.

Article 82

Minerals or coal which is extracted as stated in Article 81 is subject to a production contribution.

Article 83

Conditions on the area of the territory and the time period appropriate with the group of mining efforts that apply for holders of an IUPK include:

- a. An area for 1 (one) WIUPK for metal minerals mining exploration activities stage is granted with a maximum area of 100,000 (one hundred thousand) hectares.
- b. An area for 1 (one) WIUPK for metal minerals mining production operations activities stage is granted with a maximum area of 25,000 (twenty five thousand) hectares.
- c. An area for 1 (one) WIUPK for coal mining exploration activities stage is granted with a maximum area of 50,000 (fifty thousand) hectares
- d. An area for 1 (one) WIUPK for coal mining production operations activities stage is granted with a maximum area of 15,000 (fifteen thousand) hectares

- e. The time period for an Exploration IUPK for metal mining can be granted for a maximum period of 8 (eight) years.
- f. The time period for an Exploration IUPK for coal mining can be granted for a maximum period of 7 (seven) years
- g. The time period for a Production Operations IUPK for metals or coal can be granted for a maximum period of 20 (twenty) years and can be extended 2 (two) times and each for 10 (ten) years.

Article 84

Further provisions concerning the procedures for obtaining a WIUPK as stated in Article 74 paragraph (2) and paragraph (3), and Article 75 paragraph (3) are to be regulated in Government Regulation.

CHAPTER XI

CONDITIONS FOR MINING EFFORTS SPECIAL LICENSES

Article 85

The Government is obligated to announce mining business activity plans in the WIUPK as stated in Article 30 as well as grant an Exploration IUPK and a Production Operations IUPK as stated in Article 76 to the community in a transparent manner.

Article 86

- (1) Companies as stated in Article 75 paragraph (2) who undertake activities in the WIPUK are obligated to fulfill administrative conditions, technical conditions, environmental conditions, and financial conditions.
- (2) Further provisions concerning the administrative conditions, technical conditions, environmental conditions, and financial conditions as stated in paragraph (1) are to be regulated in Government Regulation.

CHAPTER XII

MINING DATA

Article 87

To support the preparation of the WP and the development of mining knowledge and technology, the Minister or the Governor, pursuant to their authorities can assign a national and / or regional research agency to undertake investigations and research on mining.

Article 88

- (1) The data obtained from mining activities constitutes data that is owned by the Government and /or Regional Governments pursuant to their authorities.
- (2) Mining efforts data that is owned by the Regional Government is required to be submitted to the Government so that mining data can be managed on a national level.

- (3) Data management as stated in paragraph (1) is to be implemented by the Government and / or the Regional Government pursuant to their authorities.

Article 89

Further provisions concerning the procedures for assigning investigations and research as stated in Article 87 and the management of data as stated in Article 88 are to be regulated in Government Regulation.

CHAPTER XIII RIGHTS AND OBLIGATIONS

Part One

Rights

Article 90

The holder of an IUP and an IUPK can undertake in part or in full all mining efforts stages, both exploration activities and production operations activities.

Article 91

The holder of an IUP and an IUPK can exploit public infrastructure and equipment for mining needs after meeting the provisions of the laws and regulations.

Article 92

The holder of an IUP and an IUPK is entitled to own the minerals, including any derivative minerals, or coal that has already been produced if they have already satisfied the exploration contribution and the production contribution, except for derivative radioactive minerals.

Article 93

- (1) The holder of an IUP and an IUPK cannot transfer their IUP and IUPK to another party.
- (2) To transfer the ownership and / or shares held in the Indonesian Stock Exchange can only be done after specified exploration activity stages.
- (3) Transfer of ownership and / or shares as stated in paragraph (2) can only be done with the following conditions:
 - a. the Minister, the Governor, the Regent / Mayor must be notified pursuant to their authorities; and
 - b. so long as the transfer does not conflict with the laws and regulations.

Article 94

The holder of the IUP and the IUPK has guaranteed rights for the performance of mining efforts pursuant to the provisions in the laws and regulations.

Part Two Obligations

Article 95

The holder of the IUP and the IUPK are obligated:

- a. to properly apply rules relating to mining techniques;
- b. to manage finances in accordance with the Indonesian accounting system;
- c. to increase the value-add of mineral and / or coal resources;
- d. to implement development and the empowerment of the local community; and
- e. to obey the tolerance levels of the environment.

Article 96

In the application of the proper mining technique rules, the holder of an IUP and an IUPK is obligated to implement:

- a. provisions of mining occupational health and safety;
- b. mining operations safety;
- c. mining environment management and monitoring, including reclamation and post-mining activities;
- d. mineral and coal conservation efforts; [and]
- e. management of mining scrap from mining activities in the form of solids, liquids, or gases until they meet environmental quality standards before being released into the environment.

Article 97

The holder of an IUP and an IUPK are obligated to guarantee the application of environmental standards and quality assurance in accordance with the characteristics of the region.

Article 98

The holder of an IUP and an IUPK is obligated to protect the conservation functions and water resources support pursuant to the laws and regulations.

Article 99

- (1) Every holder of an IUP and an IUPK is obligated to submit a reclamation plan and a post-mining plan at the time they submit a Production Operations IUP application or a Production Operations IUPK.
- (2) The implementation of reclamation and post-mining activities are to be carried out pursuant to the purposes of land post-mining.
- (3) The purposes of land post-mining as stated in paragraph (2) is to be noted in the agreement to use the land between the holder of the IUP or IUPK and the holder of the title in the land.

Article 100

- (1) The holder of an IUP and an IUPK is obligated to prepare a guaranteed reclamation fund and a guaranteed post-mining fund.
- (2) The Minister, the Governor, the Regent / Mayo pursuant to their authorities can appoint a third party for the purposes of carrying out the reclamation and post-mining activities utilizing the guaranteed funds as stated in paragraph (1).
- (3) The provisions as stated in paragraph (2) apply where the holder of the IUP or the IUPK does not carry out the reclamation and post-mining activities in accordance with the agreed plan.

Article 101

Further provisions concerning reclamation and post-mining as stated in Article 99 including reclamation guaranteed funds and post-mining guaranteed funds as stated in Article 100 are to be regulated in Government Regulation.

Article 102

The holder of an IUP and an IUPK are obligated to increase the value-add of mineral and / or coal resources in the implementation of development, processing, and purification, as well as in the exploitation of minerals and coal.

Article 103

- (1) The holder of a Production Operations IUP and an IUPK is obligated to undertake processing and purification activities on domestic mine products.
- (2) The holder of an IUP and an IUPK as stated in paragraph (1) can process and purify the mine products of other IUP and IUPK holders.
- (3) Further provisions concerning the increase of the value-add as stated in Article 102 and processing and purification as stated in paragraph (2) are to be regulated in Government Regulation.

Article 104

- (1) To process and purify, the holder of the Production Operations IUP and the Production Operations IUPK as stated in Article 103 can work cooperatively with companies, cooperatives, or individuals who have already obtained an IUP or an IUPK.
- (2) An IUP that has been obtained by a company as stated in paragraph (1) is a Special Production Operations IUP to process and purify, and is issued by the Minister, the Governor, or the Regent / Mayor pursuant to their authorities.
- (3) The holder of an IUP and an IUPK as stated in paragraph (1) is prohibited for processing and purifying mining products that do not possess an IUP, IPR, or IUPK.

Article 105

- (1) A company that does not operate in the mining sector and who intends to sell minerals and / or coal that has been extracted are required to hold a Production Operations IUP for sales before [effecting any sales].

- (2) An IUP as stated in paragraph (1) can only be granted 1 (one) time for sales by the Minister, the Governor, or the Regent / mayor pursuant to their authorities.
- (3) Minerals or coal that has been extracted and is to be sold as stated in paragraph (1) is subject to a production contribution.
- (4) Companies as stated in paragraph (1) and (2) are obligated to submit minerals and / or coal, which have been extracted, sales reports to the Minister, the Governor, or the Regent / Mayor pursuant to their authorities.

Article 106

The holder of an IUP and an IUPK must prioritize the exploitation of local labor, domestic goods, and domestic services pursuant to the provisions of the laws and regulations.

Article 107

In the performance of production operations activities, companies that hold an IUP and an IUPK are obligated to ensure the participation of local entrepreneurs in the relevant regions pursuant to the provisions of the laws and regulations.

Article 108

- (1) The holder of an IUP and an IUPK is obligated to compile a community development and empowerment program.
- (2) The program compilation and planning as stated in paragraph (1) is to be consulted to the Government, Regional Government, and the community.

Article 109

Further provisions concerning the implementation of community development and empowerment as stated in Article 108 are to be regulated in Government Regulation.

Article 110

The holder of an IUP and an IUPK is obligated to surrender all data that was obtained from the exploration and production operations to the Minister, the Governor, or the Regent / Mayor pursuant to their authorities.

Article 111

- (1) The holder of an IUP and an IUPK is obligated to provide periodic written reports on the work plan and the implementation of the mineral and coal mining activities to the Minister, the Governor, or the Regent / Mayor pursuant to their authorities.
- (2) Further provisions concerning the form, type, time, and procedures for the submission of reports as stated in paragraph (1) are to be regulated in Government Regulation.

Article 112

- (1) After 5 (five) years of production, the company holding an IUP and an IUPK whose shares are owned by

foreigners is obligated to undertake a divestment of shares to the Government, the Regional Government, state-owned enterprises, regional-owned enterprises, or national private companies.

- (2) Further provisions concerning the divestment of shares as stated in paragraph (1) are to be regulated in Government Regulation.

CHAPTER XIV

TEMPORARY SUSPENSION OF ACTIVITIES FOR MINING EFFORTS LICENSES AND SPECIAL MINING EFFORTS LICENSES

Article 113

- (1) Temporary suspension of mining activities can be given to the holder of an IUP and an IUPK if the following occurs:
 - a. force majeure;
 - b. a situation that hinders and therefore results in the ceasing of a part or all mining activities;
 - c. If the conditions of environmental support in the stipulated territory are unable to bear the burden of production operations activities for minerals and / or coal carried out in the relevant territory.
- (2) The temporary suspension of mining endeavor activities as stated in paragraph (1) does not reduce the period of validity of the IUP and the IUPK.
- (3) An application for a temporary suspension of mining activities as stated in paragraph (1) letter a and letter b are to be submitted to the Minister, the Governor, or the Regent / Mayor pursuant to their authorities.
- (4) A temporary suspension as stated in paragraph (1) letter c can be done by the mining inspector or by application from the community to the Minister, the Governor, or the Regent / Mayor pursuant to their authorities.
- (5) The Minister, the Governor, or the Regent / Mayor pursuant to their authorities are obligated to issue a written decision accepting or rejecting the reasons for the application as stated in paragraph (3) no later than 30 (thirty) days from the date of receiving the relevant application.

Article 114

- (1) The time period for the temporary suspension because of force majeure and / or a situation that hinders as stated in Article 113 paragraph (1) is granted for a maximum of 1 (one) year and can be extended at most 1 (one) time and for 1 (one) year.
- (2) If during the period before the temporary suspension expires the holder of the IUP and the IUPK are ready to undertake operations activities, then the stated activities are required to be reported to the Minister, the Governor, or the Regent / Mayor pursuant to their authorities.
- (3) The Minister, the Governor, or the Regent / Mayor pursuant to their authorities are to revoke the temporary suspension decision after receiving a report as stated in paragraph (2).

Article 115

- (1) If the temporary suspension of mining activities is granted because of force majeure as stated in Article 113 paragraph (1) letter a, then the obligations of the holder of the IUP and IUPK to the Government and the Regional Government do not apply.

- (2) If the temporary suspension of mining activities is granted because of a situation that hinders mining endeavor activities as stated in Article 113 paragraph (1) letter b, then the obligations of the holder of the IUP and the IUPK to the Government and the Regional Government remain applicable.
- (3) If the temporary suspension of mining activities is granted because the condition of the environment support as stated in Article 113 paragraph (1) letter c, then the obligations of the holder of the IUP and the IUPK to the Government and the Regional Government remain applicable.

Article 116

Further provisions concerning the temporary suspension of mining activities as stated in Article 113, Article 114, and Article 115 are to be regulated in Government Regulations.

CHAPTER XV

THE EXPIRATION OF MINING EFFORTS LICENSES AND SPECIAL MINING EFFORTS LICENSES

Article 117

The IUP and the IUPK end because:

- a. it is returned;
- b. it is cancelled; or
- c. the time period has expired.

Article 118

- (1) The holder of an IUP or an IUPK can surrender the IUP or IUPK with a written explanation to the Minister, the Governor, or the Regent / Mayor pursuant to their authorities and with the inclusion of a clear explanation of the reasons.
- (2) The return of an IUP or an IUPK as stated in paragraph (1) is said to be valid after the agreement of the Minister, the Governor, or the Regent / Mayor has been obtained pursuant to their authorities and after the fulfillment of any obligations.

Article 119

The IUP or the IUPK can be cancelled by the Minister, the Governor, the Regent / the Mayor pursuant to their authorities, when:

- a. the holder of the IUP or the IUPK does not fulfill their obligations that are already stipulated in the IUP or the IUPK and the laws and regulations.
- b. the holder of the IUP or the IUPK commits a crime as stated in this Law; or
- c. the holder of the IUP or the IUPK is declared bankrupt.

Article 120

In the event that the time period in the IUP and the IUPK has expired and there has been no application to increase or extend the activity stages or an application was submitted but it did not meet the requirements, the

IUP and IUPK is to be deemed expired.

Article 121

- (1) The holder of an IUP or IUPK where the IUP or the IUPK has expired for the reasons stated in Article 117, Article 118, Article 119, and Article 120 is obligated to fulfill and complete their obligations pursuant to the provisions of the laws and regulations.
- (2) The obligations of the holder of an IUP or an IUPK as stated in paragraph (1) are deemed to be fulfilled after obtaining the agreement of the Minister, the Governor, or the Regent / Mayor pursuant to their authorities.

Article 122

- (1) The IUP or IUPK that has already been returned, cancelled, or has expired as stated in Article 121 is to be returned to the Minister, the Governor, or the Regent / Mayor pursuant to their authorities.
- (2) The WIUP or the WIUPK whose IUP or IUPK has expired as stated in paragraph (1) is to be offered to companies, cooperatives, or individuals in a mechanism that is in accordance with this Law.

Article 123

If the IUP or IUPK expires, then the holder of the IUP or IUPK is obligated to surrender all data that was obtained as a result of exploration and production operations to the Minister, the Governor, or the Regent / Mayor pursuant to their authorities.

CHAPTER XVI

MINING SERVICES EFFORTS

Article 124

- (1) The holder of an IUP or an IUPK is obligated to use local and / or national mining service companies.
- (2) In the event that a mining service company as stated in paragraph (1) is not found, then the holder of the IUP or IUPK can use another mining services company that is incorporated in Indonesia.
- (3) Types of mining service efforts include:
 - a. consultation, planning, implementation, and equipment testing in the sector:
 - 1) general investigations;
 - 2) exploration;
 - 3) feasibility studies;
 - 4) mining construction;
 - 5) transportation;
 - 6) mining environment
 - 7) post-mining and reclamation; and / or
 - 8) occupational health and safety.

- b. consultation, planning, and equipment testing in the sector:
 - 1) mines: or
 - 2) processing and purification.

Article 125

- (1) In the event that a holder of an IUP or an IUPK uses a mining service, the responsibility of the mining activities remains the burden of the holder of the IUP or the IUPK.
- (2) The implementation of the mining services efforts can be in the form of a company, cooperative, or an individual pursuant with the classifications and qualifications determined by the Minister.
- (3) The mining services efforts provider is obligated to prioritize local contractors and labor.

Article 126

- (1) The holder of an IUP or an IUPK is prohibited from involving subsidiary companies and / or affiliations in the mining services efforts sector in the mining efforts territory which they are working except with the permission of the Minister.
- (2) The grant of Ministerial permission as stated in paragraph (1) is to be done if:
 - a. not a mining services company of that type in the stated territory; or
 - b. there are no mining services companies that are interested / capable.

Further provisions concerning the organization of mining services efforts as stated in Article 124, Article 125, and Article 126 are to be regulated in Ministerial Regulation.

CHAPTER XVII

STATE AND REGIONAL REVENUE

Article 128

- (1) The holders of an IUP or an IUPK are required to pay state income [taxes] and regional income [taxes].
- (2) State income as stated in paragraph (1) above comprises of tax revenue and non tax state revenue.
- (3) Tax revenue as stated in paragraph (2) comprise of:
 - a. taxes that are within the authorities of the Government pursuant to the provisions of the laws and regulations in the taxation sector; and
 - b. import duties and excise.
- (4) Non-tax state revenue as stated in paragraph (2) comprise of:
 - a. compulsory contributions;
 - b. exploration contributions;
 - c. production contributions; and

- d. information data compensation.
- (5) Regional income as stated in paragraph (1) comprise of:
 - a. regional tax;
 - b. regional retributions [or levies]; and
 - c. other valid sources of income based on the provisions of the laws and regulations.

Article 129

- (1) The holder of a Production Operations IUPK for mining metal minerals and coal is obligated to pay an amount of 4% (four percent) to the Government and 6% (six percent) to the Regional Government since the commencement of production from the net profits.
- (2) The Regional Government component as stated in paragraph (1) is to be arranged as follows:
 - a. provincial government is to receive 1% (one percent);
 - b. district / city government where the profit is generated is to receive 2.5% (two point five percent); and
 - c. other district / city governments in the same province are to receive 2.5% (two point five percent).

Article 130

- (1) The holder of an IUP or an IUPK is not levied a production contribution as stated in Article 128 paragraph (4) letter c and regional taxes and regional retributions as stated in Article 128 paragraph (5) for the exploitation of land / derivative ore that are extracted at the time of mining.
- (2) The holder of an IUP or an IUPK is to be levied a production contribution as stated in Article 128 paragraph (4) letter c for the exploitation of land / derivative ore that are extracted at the time of mining.

Article 131

The amount of tax and non-tax state revenue that are levied on the holder of an IUP, IPR, and an IUPK are to be determined based on the provisions of the laws and regulations.

Article 132

- (1) The size of the production contribution tariff is to be determined based on the level of exploitation, production, and the price of mining commodities.
- (2) The size of the production contribution tariff as stated in paragraph (1) is to be determined based on the laws and regulations.

Article 133

- (1) Non-tax state revenue as stated in Article 128 paragraph (4) constitutes state and regional income that is to be apportioned based on the laws and regulations.
- (2) Non-tax state revenue that constitutes the regional component is to be paid directly to the regional treasury every 3 (three) months after it has been deposited in the state treasury.

CHAPTER XVIII
THE USE OF LAND FOR MINING ENDEAVOR ACTIVITIES

Article 134

- (1) The right to a WIUP, a WPR, or a WIUPK does not include any rights to the surface of the earth.
- (2) Mining activities cannot be carried out in locations that are prohibited for the carrying out of mining activities pursuant to the laws and regulations.
- (3) Mining activities as stated in paragraph (2) are to be implemented after acquiring a license from the [relevant] Government agency pursuant to the laws and regulations.

Article 135

The holder of an Exploration IUP or an Exploration IUPK can only commence their activities once they have obtained the agreement of the title holder of the land.

Article 136

- (1) The holder of the IUP or the IUPK before commencing production operations activities is required to resolve [matters of] rights to land with the holder of that right pursuant to the provisions of the laws and regulations.
- (2) The resolving of rights to land as stated in paragraph (1) is to be done in stages in accordance with needs to land by the holder of the IUP or IUPK.

Article 137

The holder of the IUP or the IUPK as stated in Article 135 and Article 136 who have already resolved matters related to land can be granted rights to that land pursuant to the provisions of the laws and regulations.

Article 138

The right to an IUP, IPR, or IUPK does not constitute a right to ownership of a title right over land.

CHAPTER XIX
GUIDANCE, SUPERVISION, AND COMMUNITY PROTECTIONS

Part One
Guidance and Supervision

Article 139

- (1) The Minister undertakes guidance for organizing mining management that is implemented by the provincial government and the district / city governments pursuant to their authorities.
- (2) Guidance as stated in paragraph (1) includes:

- a. the provision of guidelines and standards for the implementation of mining management;
 - b. the provision of counseling, supervision, and consultation;
 - c. education and training; and
 - d. planning, research. Development, monitoring, and evaluation of the implementation of the organization of mining efforts in the mineral and coal sector.
- (3) The Minister can delegate authority to the Governor for the purposes of providing guidance with respect to the organization in the mining efforts field as stated in paragraph (1) and which is done by the district / city government.
- (4) The Minister, the Governor, the Regent / the Mayor pursuant to their respective authorities are responsible for guidance of the implementation of mining activities that are carried out by the holder of an IUP, IPR, or IUPK.

Article 140

- (1) The Minister undertakes supervision of the organization of mining management that is performed by the Regional Government and the District / City Governments pursuant to the Minister's authorities.
- (2) The Minister can delegate to the Governor for the purposes of undertaking supervision of the organization of the management authority in the mining sector as stated in paragraph (1), and which are carried out by the District / City Governments.
- (3) The Minister, the Governor, and the Regent / the Mayor pursuant to the respective authorities are to conduct supervision over the implementation of mining endeavor activities that are undertaken by the holder of an IUP, an IPR, or an IUPK.

Article 141

- (1) Supervision as stated in Article 140, among others, includes:
- a. technical mining;
 - b. marketing;
 - c. finance;
 - d. processing mineral and coal data;
 - e. conservation of mineral and coal resources;
 - f. mining occupational health and safety;
 - g. mining operations safety;
 - h. environmental, reclamation, and post-mining management;
 - i. exploitation of goods, services, technology, and engineering capabilities and domestic engineering;
 - j. development of technical mining labor;
 - k. development and empowerment of the local community;
 - l. control, development, and application of mining technology;
 - m. other activities in the mining endeavor activities sector that involve the public interest;
 - n. management of IUP an IUPK; and

- o. total, type, and quality of mining efforts.
- (2) Supervision as stated in paragraph (1) letter a, letter e, letter f, letter g, letter h, and letter i is to be performed by an inspector of mines pursuant to the provisions of the laws and regulations.
- (3) In this matter, the Regional Government or the District / City Government does not yet have a mining inspector, then the Minister can appoint a mining inspector who has already been appointed to undertake guidance and supervision as stated in paragraph (2).

Article 142

- (1) The Governor and the Regent / the Mayor are required to report the implementation of mining efforts in the respective territories at least once every 6 (six) months to the Minister.
- (2) The Government can give warnings to Regional Governments when the implementation of their respective authorities is not in accordance with this Law and other laws and regulations.

Article 143

- (1) The Regent / the Mayor are to conduct guidance and supervision of community mining efforts.
- (2) Further provisions concerning guidance and supervision of community mining is to be regulated in District / City Regional Regulations.

Article 144

Further provisions concerning the standard and procedures for guidance and supervision as stated in Article 139, Article 140, Article 141, Article 142, and Article 143 are to be further regulated in Government Regulation.

Part Two

Community Protections

Article 145

- (1) Communities that are directly [and] negatively affected by the mining activities are entitled:
 - a. to obtain compensation that is reasonable as a consequence of the error of the mining exploitation activities pursuant to the provisions of [the prevailing] laws and regulations;
 - b. submit a claim to the courts with respect to losses caused by mining exploitation that has breached the provisions.
- (2) Provisions concerning community protections as stated in paragraph (1) are to be determined based on the laws and regulations.

CHAPTER XX

RESEARCH AND DEVELOPMENT WITH EDUCATION AND TRAINING

Part One

Research and Development

Article 146

The Government and Regional Governments are required to drive, implement, and / or facilitate the performance of research and development in minerals and coal.

Part Two Education and Training

Article 147

The Government and Regional Governments are required to drive, implement, and / or facilitate the performance of education and training in the field of minerals and coal exploitation.

Article 148

The organization of education and training can be done by the Government, the Regional Government(s), the private [sector], and the community.

CHAPTER XXI INVESTIGATION

Article 149

- (1) In addition to investigators of the National Police Force of the Republic of Indonesia, civil servants whose scope of duties and responsibilities are in the mining sector are granted special authorities as investigators pursuant to the provisions of the laws and regulations.
- (2) A civil servant investigator as stated in paragraph (1) has the [following] authority:
 - a. undertake examination of the accuracy of reports or clarifications related to criminal acts in mining activities;
 - b. undertake examinations of people or entities that are suspected of criminal acts related to mining activities;
 - c. subpoena and / or force the appearance of persons in order to hear and examine them as witnesses or suspects in criminal cases related to mining activities;
 - d. search locations and /or equipment that are suspected of being used for the commission of a criminal act related to mining activities;
 - e. conduct investigations of mining activities equipment and infrastructure and prohibit the use of tools that are suspected of being used in the commission of a crime;
 - f. seal and / or seize mining activities tools that have been used in the commission of a crime as evidence;
 - g. bring in and / or request the assistance of experts who are needed in connection with the examination of a mining activities criminal case; and / or

- h. cease an investigation into a crime related to mining activities.

Article 150

- (1) A civil servant investigator as stated in Article 149 can arrest the perpetrator of a mining activity crime.
- (2) A civil servant investigator as stated in paragraph (1) is to notify the commencement of an investigation and surrender the results of that investigation to an officer on the National Police Force of the Republic of Indonesia pursuant to the provisions of [the prevailing] laws and regulations.
- (3) A civil servant investigator as stated in paragraph (1) are required to cease and investigation in the event that they do not secure sufficient evidence and / or the event does not constitute a criminal act.
- (4) The implementation of the authorities as stated in paragraph (2) and paragraph (3) are to be performed pursuant to the provisions of [the prevailing] laws and regulations.

CHAPTER XXII

ADMINISTRATIVE SANCTIONS

Article 151

- (1) The Minister, the Governor, the Regent / the Mayor pursuant to their authority have the right to impose administrative sanctions to the holder of an IUP, IPR, or an IUPK for breaches of the provisions as stated in Article 40 paragraph (3), Article 40 paragraph (5), Article 41, Article 43, Article 70, Article 71 paragraph (1), Article 74 paragraph (4), Article 74 paragraph (6), Article 81 paragraph (1), Article 93 paragraph (3), Article 95, Article 96, Article 97, Article 98, Article 99, Article 100, Article 102, Article 103, Article 105 paragraph (4), Article 107, Article 108 paragraph (1), Article 110, Article 111 paragraph (1), Article 112 paragraph (1), Article 114 paragraph (2), Article 115 paragraph (2), Article 125 paragraph (3), Article 126 paragraph (1), Article 128 paragraph (1), Article 129 paragraph (1), or Article 130 paragraph (2).
- (2) Administrative sanctions as stated in paragraph (1) are in the form of:
 - a. written warnings;
 - b. temporary suspension of part or all exploration activities or production operations; and / or
 - c. cancellation of the IUP, IPR, or IUPK.

Article 152

In the event that the Regional Government does not implement the provisions as stated in Article 151 and the evaluation results as conducted by the Minister and as stated in Article 6 paragraph (1) letter j, the Minister can temporarily suspend and / or cancel the IUP or IPR pursuant to the laws and regulations.

Article 153

In the event that the Regional Government objects to the temporary suspension and / or cancellation of an IUP and IPR by the Minister as stated in Article 152, the Regional Government can submit their objection in accordance with the laws and regulations.

Article 154

Every dispute that emerges in the implementation of an IUP, an IPR, or an IUPK is to be resolved in the courts and domestic arbitration in accordance with the laws and regulations.

Article 155

All legal consequences that arise because of the temporary suspension and / or cancellation of an IUP, an IPR, or an IUPK as stated in Article 151 paragraph (2) letter b and letter care to be resolved in accordance with the laws and regulations.

Article 156

Further provisions concerning the procedures for the implementation of administrative sanctions as stated in Article 151 and Article 152 are to be regulated in Government Regulation.

Article 157

Regional Governments that do not satisfy the provisions as stated in Article 5 paragraph (4) is imposed with an administrative sanction in the form of a temporary suspension of authority over the right to manage mineral and coal mining efforts.

CHAPTER XXIII CRIMINAL PROVISIONS

Article 158

Every person that undertakes a mining endeavor without an IUP, IPR, or IUPK as stated in Article 37, Article 40 paragraph (3), Article 48, Article 67 paragraph (1), Article 74 paragraph (1) or paragraph (5) can be sentenced to a maximum of 10 (ten) years imprisonment and a maximum fine of Rp. 10,000,000,000 (ten billion Rupiah).

Article 159

A holder of an IUP, IPR, or an IUPK who intentionally submits a report as stated in Article 43 paragraph (1), Article 70 letter e, Article 81 paragraph (1), Article 105 paragraph (4), Article 110, or Article 111 paragraph (1) that is not accurate of submits a false explanation can be sentenced to a maximum of 10 (ten) years imprisonment and a maximum fine of Rp. 10,000,000,000 (ten billion Rupiah).

Article 160

- (1) Every person who exploration without possessing an IUP or IUPK as stated in Article 37 or Article 74 paragraph (1) can be sentenced to a maximum period of detention [deprivation of liberty] of 1 (one) year or a maximum fine of Rp. 200,000,000 (two hundred million Rupiah).
- (2) Every person who has an Exploration IUP but undertakes production operations activities can be sentenced a maximum term of imprisonment of 5 (five) years and a maximum fine of Rp. 10, 000,000,000 (ten billion Rupiah).

Article 161

Every person or the holder of a Production Operations IUP or a Production Operations IUPK that absorbs, makes use of, undertakes to manufacture or purify, transport, or sells minerals and coal that is not from the holder of the IUP, IUPK, or licensed as stated in Article 37, Article 40 paragraph (3), Article 43 paragraph (2), Article 48, Article 67 paragraph (1), Article 74 paragraph (1), Article 81 paragraph (2), Article 103 paragraph (2), Article 104 paragraph (3), or Article 105 paragraph (1), can be sentenced to a maximum term of imprisonment of 10 (ten) years and a maximum fine of Rp. 10,000,000,000 (ten billion Rupiah).

Article 162

Every person that blocks or interferes with the mining activities of a holder of an IUP or an IUPK, and who have already met the conditions as stated in Article 136 paragraph (2), can be sentenced to detention [deprivation of liberty] for a maximum period of 1 (one) year or a maximum fine of Rp. 100,000,000 (one hundred million Rupiah).

Article 163

- (1) In this matter, a criminal act as stated in this Chapter, when committed by an incorporated entity, aside from jail and fines against the executives, the punishment that can be imposed on the incorporated entity is a criminal fine with a 1/3 (one third) premium from the maximum fine that can be imposed by these provisions.
- (2) In addition to criminal fines as stated in paragraph (1), corporate entities can incur additional criminal [sanctions] in the form of:
 - a. cancellation of business licenses; and / or
 - b. cancellation of their status as a legal entity.

Article 164

In addition to the provisions as stated in Article 158, Article 159, Article 160, Article 161, and Article 162 further criminal [sanctions] can be imposed on the perpetrator of the crime in the form of:

- a. seizure of goods that were used in the commission of a crime;
- b. seizure of any profits that were obtained from crime; and / or
- c. obligation to pay any costs that arise as the consequence of crimes.

Article 165

Every person that issues an IUP, IPR, or IUPK that challenges this Law and misuses their authority is to be subject to criminal sanction of a maximum of 2 (two) years imprisonment and a maximum fine of Rp. 200,000,000 (two hundred million Rupiah).

CHAPTER XXIV OTHER PROVISIONS

Article 166

Every problem that arises against the implementation of the IUP, IPR, or IUPK that is related to environmental

impacts is to be resolved in accordance with the laws and regulations.

Article 167

The WP is to be managed by the Minister in a WP information system that is integrated nationally to implement standardization concerning the system of coordinates and base maps in the issue of WUP, WIUP, WPR, WPN, WUPK, and WIUPK.

Article 168

To raise investment in the mining sector, the Government can provide incentives and tax facilities in accordance with the laws and regulations except where provided otherwise in the IUP or IUPK.

CHAPTER XXV TRANSITIONAL PROVISIONS

Article 169

At the time this Law commences:

- a. Coal mining exploitation work contracts and work agreements that already existed prior to this Law coming into force remain valid until the contract / agreement expires
- b. The provisions recorded in the articles of the coal mining business work contract and work agreement as stated in letter a must be brought into compliance no later than 1 (one) year from the promulgation of this Law except where the provisions concern state revenue.
- c. The exception for state revenue as stated in letter b is an effort to increase state revenue.

Article 170

The holder of a work contract as stated in Article 169 which has already commenced production is required to begin purification as stated in Article 103 paragraph (1) no later than 5 (five) years from the enactment of this Law.

Article 171

- (1) The holder of a coal mining exploitation work contract and work agreement as stated in Article 169 who has already undertaken the exploration activity, feasibility study, construction, or production operations stage no later than 1 (one) year since the commencement of this Law must submit an activity plan for all contract / agreement territories up to the expiration of the contract / agreement time period in order to gain government approval.
- (2) In the event the provisions as stated in paragraph (1) are not fulfilled, then the size of the mining territory that has already been granted to the holder of the coal mining exploitation work contract and work agreement must be brought into compliance with this Law.

Article 172

Applications for coal mining exploitation work contracts and work agreements that have already been submitted

to the Minister no later than 1 (one) year before the coming into force of this Law and that have already received an in principle agreement letter or a preliminary investigation license letter will remain honored and can process the requisite licenses without having to go through the tender process based on this Law.

CHAPTER XXVI CLOSING PROVISIONS

Article 173

- (1) At the date of enactment of this Law, Law Number 11 of 1967 on the Basic Mining Provisions (The State Gazette of the Republic of Indonesia 1967 Number 22, Supplement to the State Gazette of the Republic of Indonesia Number 2831) is repealed and no longer in force.
- (2) At the date of enactment of this Law, all laws and regulations that constitute implementing regulations from Law Number 11 of 1967 on the Basic Mining Provisions (The State Gazette of the Republic of Indonesia 1967 Number 22, Supplement to the State Gazette of the Republic of Indonesia Number 2831) remain in force in so far as they do not contradict the provisions in this Law.

Article 174

Implementing regulations for this Law must be confirmed within 1 (one) year of the enactment of this Law.

Article 175

This Law comes into force on the date of its enactment.

In order that people know of this law, it is ordered that this Law be promulgated with its placement in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta,

On 12 January 2009

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Signed.

DR H. SUSILO BAMBANG YUDHONYONO

Promulgated in Jakarta,

On 12 January 2009

MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA,

Signed.

ANDI MATTALATTA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA 2009 NUMBER 4

ELUCIDATIONS
BILL OF THE REPUBLIC OF INDONESIA
NUMBER 4 of 2009
ON
MINERAL AND COAL MINING

I GENERAL

Article 33 paragraph (3) of the 1945 Constitution affirms that the earth, the water, and natural resource wealth that are buried within the earth are to be under the control of the state and utilized for the greatest prosperity of the community. Remembering minerals and coal as natural resource wealth that is buried within the earth constitutes a natural resource that is non-renewable, thus management needs to be done as optimally as possible, efficiently, transparently, sustainable and perceptive of the environment, as well as fairness in order to obtain greatest ongoing benefit in terms of prosperity for the community.

With a view to fulfilling the provisions of Article 33 paragraph (3) of the 1945 Constitution, Law Number 11 of 1967 on the Basic Mining Provisions has already been enacted. The noted Law during more or less four decades since its enactment has already provided an important contribution with respect to national development.

In a further development, the law whose substance can be characterized as being centralistic is no longer suitable for developments happening now and the challenges of the future. Additionally, the development of mining must adapt itself to the changes in the strategic environment, both national and international. The primary challenge that is faced by mineral and coal mining is the influence of globalization that is driving democratization, regional autonomy, human rights, the environment, technology and information development, intellectual property rights, as well as claims to increase the role of the private [sector] and the community.

In order to face strategic environmental challenges and answer a number of those problems, there is a need to compile new laws and regulations in the mineral and coal mining sector that can provide a legal foundation for steps of renewal and rearrangement of management activities and mineral and coal mining exploitation.

This Law embodies the following basic notions:

1. Mineral and coal as a non-renewable resource is to be controlled by the state and development along with utilization is to be undertaken by the Government and Regional Governments together with business providers.
2. Furthermore, the Government is to provide opportunities to corporate entities incorporated in Indonesia, cooperatives, individuals, and to local communities to engage in mineral and coal mining exploitation based on [a system of] licensing, which is to run simultaneously with regional autonomy, and [these licenses are] to be granted by the Government and / or the Regional Government pursuant to their respective authorities.
3. In the framework of managing decentralization and regional autonomy, the management of mineral and coal mining is to be implemented based on principles of externality, accountability, and efficiency that involves both the Government and the Regional Government.
4. Mining efforts must provide a benefit to the economy and socially that is greatest for the welfare of the Indonesian people.
5. Mining efforts must be able to expedite regional development and drive community / small and medium business economic activities as well as driving growth in mining support industries.

6. In the framework of creating sustainable development, mining activities must be implemented with attention to principles of the environment, transparency, and community participation.

II ARTICLE BY ARTICLE

Article 1

Sufficiently Clear

Article 2

Letter a

Sufficiently Clear

Letter b

Sufficiently Clear

Letter c

Sufficiently Clear

Letter d

What is meant by sustainable basis and perceptiveness of the environment is a basis that is planned to integrate an economical, environmental, and socio-cultural dimension in all mineral and coal mining efforts to realize mass prosperity now and in the future.

Article 3

Sufficiently Clear

Article 4

Sufficiently Clear

Article 5

Sufficiently Clear

Article 6

Paragraph (1)

Letter a

Sufficiently Clear

Letter b

Sufficiently Clear

Letter c

National standards in the mineral and coal mining sector are technical specifications or something that has been standardized.

Letter d

Sufficiently Clear

Letter e

Sufficiently Clear

Letter f

Sufficiently Clear

Letter g

Sufficiently Clear

Letter h

Sufficiently Clear

Letter i

Sufficiently Clear

Letter j

Sufficiently Clear

Letter k

Sufficiently Clear

Letter l

Sufficiently Clear

Letter m

Sufficiently Clear

Letter n

Sufficiently Clear

Letter o

Sufficiently Clear

Letter p

Sufficiently Clear

Letter q

Sufficiently Clear

Letter r

Sufficiently Clear

Letter s

What is meant by national level minerals and coal resources balance sheet is a balance sheet that provides a picture of the total resources, reserves, and mineral and coal production nationally.

Letter t

Sufficiently Clear

Letter u

Sufficiently Clear

Paragraph (2)

Sufficiently Clear

Article 7

Sufficiently Clear

Article 8

Sufficiently Clear

Article 9

Sufficiently Clear

Article 10

Sufficiently Clear

Article 11

Sufficiently Clear

Article 12

Sufficiently Clear

Article 13

Sufficiently Clear

Article 14

Sufficiently Clear

Article 15

Authority that is delegated is authority to determine WUP for non-metal minerals and ores in one district / city or on the boundary of districts / cities.

Article 16

Sufficiently Clear

Article 17

What is meant by area is the maximum area and the minimum area.

Determination of boundaries is to be done based on expertise that is accepted by all parties.

Article 18

Sufficiently Clear

Article 19

Sufficiently Clear

Article 20

Sufficiently Clear

Article 21

The determination of a WPR is to be based on planning with the synchronization of data and information in the WP information system.

Article 22

Letter a

What is meant by bank and river bank is a region of accumulation of secondary mineral pay streaks in the curves of the river.

Letter b

Sufficiently Clear

Letter c

Sufficiently Clear

Letter d

Sufficiently Clear

Letter e

Sufficiently Clear

Letter f

Sufficiently Clear

Article 23

The announcement of the WPR plan is to be made in the Village / Community office and the related office /

agency; this is to be completed with a location map that shows graphically the location, the size, and the boundaries inclusive of coordinates; and a complete list of land title holders that are within the WPR.

Article 24

Sufficiently Clear

Article 25

Sufficiently Clear

Article 26

Sufficiently Clear

Article 27

Paragraph (1)

Determination of the WPN in the national interest is intended to drive national economic growth, energy sustainability and national strategic industry, as well as increase national competitiveness in facing global challenges.

What is meant by certain commodities, among others, copper; tin; gold; iron; nickel; and bauxite, as well as coal.

The meaning of conservation also encompasses efforts to manage minerals and / or coal that is of limited availability.

Paragraph (2)

What is meant by a part of the territory size is to set the percentage amount of the territory that is to be subject to mining [efforts].

Paragraph (3)

What is meant by time limits is the WPN that is confirmed for conservation can be worked after the passage of a specified period of time.

Paragraph (4)

Sufficiently Clear

Article 28

Sufficiently Clear

Article 29

Paragraph (1)

What is meant by coordination is the accommodation of all regional interests related to the WUPK in accordance with the provisions of legislation.

Paragraph (2)

Sufficiently Clear

Article 30

Sufficiently Clear

Article 31

What is meant by area is maximum area and minimum area.

The determination of boundaries is based on expertise that is accepted by all parties.

Article 32

Sufficiently Clear

Article 33

Sufficiently Clear

Article 34

Paragraph (1)

Letter a

Sufficiently Clear

Letter b

Sufficiently Clear

Paragraph (2)

Letter a

What is meant by the mining of radioactive minerals is mining as regulated in the laws and regulations in the nuclear energy sector.

Letter b

Mining of metal minerals in these provisions includes derivative minerals.

Letter c

Sufficiently Clear

Letter d

Sufficiently Clear

Paragraph (3)

Sufficiently Clear

Article 35

Sufficiently Clear

Article 36

Sufficiently Clear

Article 37

Sufficiently Clear

Article 38

Letter a

Enterprise in these provisions includes State-Owned Enterprises and Regional-Owned Enterprises.

Letter b

Sufficiently Clear

Letter c

Sufficiently Clear

Article 39

Paragraph (1)

Letter a

Sufficiently Clear

Letter b

Sufficiently Clear

Letter c

Sufficiently Clear

Letter d

A complete guarantee in these provisions includes fees for the management of the environment as a result of exploration activities.

Letter e

Sufficiently Clear

Letter f

Sufficiently Clear

Letter g

Sufficiently Clear

Letter h

Sufficiently Clear

Letter i

Sufficiently Clear

Letter j

Sufficiently Clear

Letter k

Sufficiently Clear

Letter l

Sufficiently Clear

Letter m

Sufficiently Clear

Letter n

Sufficiently Clear

Paragraph (2)

Sufficiently Clear

Article 40

Sufficiently Clear

Article 41

Sufficiently Clear

Article 42

Paragraph (1)

The time period of 8 (eight) years includes a general investigation of 1 (one) year; exploration of 3 (three) years which can be extended 2 (two) times for 1 (one) year each; as well as a feasibility study of 1 (one) year which can be extended 1 (one) time for 1 (one) year.

Paragraph (2)

The time period of 3 (three) years includes a general investigation of 1 (one) year, exploration of 1 (one) year, and a feasibility study of 1 (one) year.

What is meant by non-metal minerals are specific types, among others, limestone for the cement industry, diamonds, and precious ores.

The time period of 7 (seven) years includes a general investigation of 1 (one) year; exploration of 3 (three) years which can be extended 1 (one) time for 1 (one) year each; as well as a feasibility study of 1 (one) year which can be extended 1 (one) time for 1 (one) year.

Paragraph (3)

The time period of 3 (three) years includes a general investigation of 1 (one) year, exploration of 1 (one) year, and a feasibility study of 1 (one) year.

Paragraph (4)

The time period of 7 (seven) years includes a general investigation of 1 (one) year; exploration of 2 (two) years which can be extended 2 (two) times for 1 (one) year each; as well as a feasibility study of 2 (two) years.

Article 43

Sufficiently Clear

Article 44

Sufficiently Clear

Article 45

Sufficiently Clear

Article 46

Paragraph (1)

Sufficiently Clear

Paragraph (2)

What is meant by feasibility study research data results constitutes a synchronization of the data held by the Government and the Regional Governments.

Article 47

Paragraph (1)

The period of 20 (twenty) years in these provisions includes a construction period of 2 (two) years.

Paragraph (2)

Sufficiently Clear

Paragraph (3)

What is meant by non-metal minerals are specific types, among others, limestone for the cement industry, diamonds, and precious ores.

The period of 20 (twenty) years in these provisions includes a construction period of 2 (two) years.

Paragraph (4)

Sufficiently Clear

Paragraph (5)

The period of 20 (twenty) years in these provisions includes a construction period of 2 (two) years.

Article 48

Sufficiently Clear

Article 49

Sufficiently Clear

Article 50

Sufficiently Clear

Article 51

The mining of metals in these provisions include the derivative minerals.

Article 52

Paragraph (1)

Sufficiently Clear

Paragraph (2)

When in the WIUP other minerals are found that are different from those that are located either vertically or horizontally, then other parties can exploit the noted minerals

Paragraph (3)

Sufficiently Clear

Article 53

Sufficiently Clear

Article 54

Sufficiently Clear

Article 55

Paragraph (1)

Sufficiently Clear

Paragraph (2)

When in the WIUP other minerals are found that are different from those that are located either vertically or horizontally, then other parties can exploit the noted minerals.

Paragraph (3)

Sufficiently Clear

Article 56

Sufficiently Clear

Article 57

Sufficiently Clear

Article 58

Paragraph (1)

Sufficiently Clear

Paragraph (2)

When in the WIUP other minerals are found that are different from those that are located either vertically or horizontally, then other parties can exploit the noted minerals.

Paragraph (3)

Sufficiently Clear

Article 59

Sufficiently Clear

Article 60

Sufficiently Clear

Article 61

Paragraph (1)

Sufficiently Clear

Paragraph (2)

When in the WIUP other minerals are found that are different from those that are located either vertically or horizontally, then other parties can exploit the noted minerals.

Paragraph (3)

Sufficiently Clear

Article 62

Sufficiently Clear

Article 63

Sufficiently Clear

Article 64

Sufficiently Clear

Article 65

Sufficiently Clear

Article 66

Sufficiently Clear

Article 67

Paragraph (1)

Sufficiently Clear

Paragraph (2)

Sufficiently Clear

Paragraph (3)

The application letter as stated in these provisions are to be inclusive of sufficient stamp duty and to be annexed with a recommendation from the Head of the Village / Community / Tribal Head concerning the accuracy of the case history of the applicant in order to obtain priority in the secure an IPR.

Article 68

Sufficiently Clear

Article 69

Sufficiently Clear

Article 70

Letter a

Sufficiently Clear

Letter b

Sufficiently Clear

Letter c

Environmental management activities include prevention and handling pollution as well as restoring environmental functions, including the reclamation of former mining land.

Letter d

Sufficiently Clear

Letter e

Reports are to be submitted every 4 (four) months.

Article 71

Sufficiently Clear

Article 72

Sufficiently Clear

Article 73

Sufficiently Clear

Article 74

Paragraph (1)

What is meant by attention to regional interests is [to be] in the framework of regional empowerment.

Paragraph (2)

Mining of metals in these provisions include the derivative minerals.

Paragraph (3)

Sufficiently Clear

Paragraph (4)

Sufficiently Clear

Paragraph (5)

Sufficiently Clear

Paragraph (6)

Sufficiently Clear

Paragraph (7)

Sufficiently Clear

Article 75

Sufficiently Clear

Article 76

Sufficiently Clear

Article 77

Paragraph (1)

Sufficiently Clear

Paragraph (2)

What is meant by feasibility study research data results constitutes a synchronization of the data held by the Government and the Regional Governments.

Article 78

Letter a

Sufficiently Clear

Letter b

Sufficiently Clear

Letter c

Sufficiently Clear

Letter d

A complete guarantee includes within it funds for environmental management as a consequence of exploration activities.

Letter e

Sufficiently Clear

Letter f

Sufficiently Clear

Letter g

Sufficiently Clear

Letter h

Sufficiently Clear

Letter i

Sufficiently Clear

Letter j

Sufficiently Clear

Letter k

Sufficiently Clear

Letter l

Sufficiently Clear

Letter m

Sufficiently Clear

Letter n

Sufficiently Clear

Article 79

Letter a
Sufficiently Clear

Letter b
Sufficiently Clear

Letter c
Sufficiently Clear

Letter d
Sufficiently Clear

Letter e
Sufficiently Clear

Letter f
Sufficiently Clear

Letter g
Sufficiently Clear

Letter h
Sufficiently Clear

Letter i
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Letter j
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Letter k
Sufficiently Clear

Letter l
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Letter m
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Letter n
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Letter o
Sufficiently Clear

Letter p
Sufficiently Clear

Letter q
Sufficiently Clear

Letter r

Sufficiently Clear

Letter s

Sufficiently Clear

Letter t

Sufficiently Clear

Letter u

Sufficiently Clear

Letter v

Sufficiently Clear

Letter w

Sufficiently Clear

Letter x

Sufficiently Clear

Letter y

A record of share divestment is only valid if the shares that are owned by foreigners are pursuant to the provisions of laws and regulations.

Article 80

Sufficiently Clear

Article 81

Sufficiently Clear

Article 82

Sufficiently Clear

Article 83

Letter a

Sufficiently Clear

Letter b

Sufficiently Clear

Letter c

Sufficiently Clear

Letter d

Sufficiently Clear

Letter e

The time period of 8 (eight) years includes a general investigation of 1 (one) year; exploration of 3 (three) years which can be extended 2 (two) times for 1 (one) year each; as well as a feasibility study of 1 (one) year which can be extended 1 (one) time for 1 (one) year.

Letter f

The time period of 7 (seven) years includes a general investigation of 1 (one) year; exploration of 2 (two) years which can be extended 2 (two) times for 1 (one) year each; as well as a feasibility study of 2 (two) years.

Letter g

The period of 20 (twenty) years in these provisions includes the construction period of 2 (two) years.

Article 84

Sufficiently Clear

Article 85

Sufficiently Clear

Article 86

Sufficiently Clear

Article 87

Sufficiently Clear

Article 88

Sufficiently Clear

Article 89

Sufficiently Clear

Article 90

Sufficiently Clear

Article 91

Sufficiently Clear

Article 92

Sufficiently Clear

Article 93

Paragraph (1)

Sufficiently Clear

Paragraph (2)

What is meant by certain exploration stages in this provision is the discovery of 2 (two) prospective territories during the exploration activities.

Paragraph (3)

Sufficiently Clear

Article 94

Sufficiently Clear

Article 95

Sufficiently Clear

Article 96

Letter a

Sufficiently Clear

Letter b

Sufficiently Clear

Letter c

Sufficiently Clear

Letter d

Sufficiently Clear

Letter e

What is meant by mining scrap includes, among others, tailings and coal waste.

Article 97

Sufficiently Clear

Article 98

This provision means remembering that mining efforts at the water source can result in changes to the morphology of the water source, both at points upstream and downstream.

Article 99

Sufficiently Clear

Article 100

Sufficiently Clear

Article 101

Provisions concerning reclamation guarantee funds and post-mining guarantee funds includes, among others, the size [of the guaranteed funds], the procedures for depositing and cashing, as well as reporting the use of the guarantee funds.

Article 102

Value-add in these provisions mean the improvement of the final product from the mining endeavor or the exploitation of derivative minerals.

Article 103

Paragraph (1)

The obligation to undertake domestic processing and purification is intended, among others, to increase and optimize the value from mining products, the supply of raw materials to industry, absorb labor, and increase state revenue.

Paragraph (2)

Sufficiently Clear

Paragraph (3)

Sufficiently Clear

Article 104

Sufficiently Clear

Article 105

Paragraph (1)

What is meant by prior holding of an IUP Production Operations for sales in these provisions is the obtaining of a license to transport and sell the minerals and / or coal that has been extracted.

Paragraph (2)

Permits are granted after examination and evaluation of the extracted minerals and / or the coal is undertaken prior to the permit grant by the relevant technical agency.

Paragraph (3)

Sufficiently Clear

Paragraph (4)

Sufficiently Clear

Article 106

The exploitation of local labor is to consider the competency of the labor and the expertise of the labor that is supplied.

This provision is intended to support and to expand the national capability in order that [Indonesia] is more competitive.

Article 107

Sufficiently Clear

Article 108

Paragraph (1)

Sufficiently Clear

Paragraph (2)

What is meant by community is the community that is resident in close proximity to the mining operation.

Article 109

Sufficiently Clear

Article 110

Sufficiently Clear

Article 111

Sufficiently Clear

Article 112

Sufficiently Clear

Article 113

Paragraph (1)

Letter a

What is meant by force majeure (keadaan kahar) in this paragraph, among others, is war, civilian riots, rebellion, epidemics, earthquakes, floods, fires, and natural disasters that are outside the control of human beings.

Letter b

What is meant by situation that hinders in this paragraph, among others, is blockade, strike [action], and labor disputes that are not the fault of the IUP or IUPK holder and legislation that is issued by the Government that obstructs mining activity efforts that are currently underway.

Letter c

Sufficiently Clear

Paragraph (2)

Sufficiently Clear

Paragraph (3)

The application is to explain the existence of force majeure and / or a situation that hinders and therefore results in the cessation in part or in full of all mining activity efforts.

Paragraph (4)

The community application is to include an explanation on the existing conditions of support efforts in the environment territory that is related to the activities of the mining operation.

Paragraph (5)

Sufficiently Clear

Article 114

Sufficiently Clear

Article 115

Sufficiently Clear

Article 116

Sufficiently Clear

Article 117

Sufficiently Clear

Article 118

Paragraph (1)

What is meant by clear reasons in these provisions, among others, includes not meeting prospects in the technical sense, economical, or environmental.

Paragraph (2)

Sufficiently Clear

Article 119

Sufficiently Clear

Article 120

What is meant by increase is the movement from the exploration stage to the production operations stage.

Article 121

Sufficiently Clear

Article 122

Sufficiently Clear

Article 123

Sufficiently Clear

Article 124

Paragraph (1)

National companies may establish branch companies in the regions.

Paragraph (2)

Sufficiently Clear

Paragraph (3)

Sufficiently Clear

Article 125

Sufficiently Clear

Article 126

Sufficiently Clear

Article 127

Sufficiently Clear

Article 128

Sufficiently Clear

Article 129

Sufficiently Clear

Article 130

Sufficiently Clear

Article 131

Sufficiently Clear

Article 132

Sufficiently Clear

Article 133

Sufficiently Clear

Article 134

Sufficiently Clear

Article 135

The agreement of the title holder of the land is intended to resolve land that is affected by exploration activities such as drilling, test ditches, and taking of samples.

Article 136

Sufficiently Clear

Article 137

Sufficiently Clear

Article 138

Sufficiently Clear

Article 139

Sufficiently Clear

Article 140

Sufficiently Clear

Article 141

Sufficiently Clear

Article 142

Sufficiently Clear

Article 143

Sufficiently Clear

Article 144

Sufficiently Clear

Article 145

Paragraph (1)

What is meant by community is those that suffer a direct negative impact from the mining business activities.

Paragraph (2)

Sufficiently Clear

Article 146

Sufficiently Clear

Article 147

Sufficiently Clear

Article 148

Sufficiently Clear

Article 149

Sufficiently Clear

Article 150

Sufficiently Clear

Article 151

Sufficiently Clear

Article 152

Sufficiently Clear

Article 153

Sufficiently Clear

Article 154

Sufficiently Clear

Article 155

Sufficiently Clear

Article 156

Sufficiently Clear

Article 157

Sufficiently Clear

Article 158

Sufficiently Clear

Article 159

Sufficiently Clear

Article 160

Sufficiently Clear

Article 161

Sufficiently Clear

Article 162

Sufficiently Clear

Article 163

Sufficiently Clear

Article 164

Sufficiently Clear

Article 165

What is meant by every person is the official who issues the IUP, IPR, or the IUPK.

Article 166

Sufficiently Clear

Article 167

Sufficiently Clear

Article 168

Sufficiently Clear

Article 169

Letter a

Sufficiently Clear

Letter b

All articles contained in the work contract and work agreement for coal mining companies must comply with the provisions of this law.

Letter c

Sufficiently Clear

Article 170

Sufficiently Clear

Article 171

Sufficiently Clear

Article 172

Sufficiently Clear

Article 173

Sufficiently Clear

Article 174

Sufficiently Clear

Article 175

Sufficiently Clear

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 4959