

**REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES OF THE  
R.I.  
NUMBER : 32 YEAR 2013**

**CONCERNING**

**THE PROCEDURES OF ISSUING SPECIAL LICENSE IN MINERAL AND COAL MINING**

**BY THE GRACE OF THE ONE GOD ALMIGHTY**

**THE MINISTER OF ENERGY AND MINERAL RESOURCES OF THE R.I.,**

Considering : that in the framework of giving directives on the procedures of issuing temporary license to carry out transportation and sales and Mining Business License of Production Operation for sales as referred to in Article 43, Article 81 and Article 105 of Law No.4 Year 2009 concerning Mineral and Coal Mining, as well as to implement the provision of Article 43 and Article 111 of Government Regulation No.23 Year 2010 concerning The Realization of Mineral and Coal Mining Business Activities as amended with Government Regulation No.24 Year 2012, it is necessary to establish The Regulation of the Minister of Energy and Mineral Resources concerning the Procedures of Issuing Special License in Mineral and Coal Mining;

- In view of :
1. Law No.4 Year 2009 concerning Mineral and Coal Mining (State Gazette of the R.I. of 2009 No.4, State Gazette Supplement of the R.I. No.4959);
  2. Government Regulation No.22 Year 2010 concerning Mining Area (State Gazette of the R.I. of 2010 No.28, State Gazette Supplement of the R.I. No.5110);
  3. Government Regulation No.23 Year 2010 concerning the Realization of Mineral and Coal Mining Business Activities (Stat Gazette of the R.I. of 2010 No.29, State Gazette Supplement of the R.I. No.5110);

4. Government Regulation No.55 Year 2010 concerning Nurturing and Supervision on Mineral and Coal Business Management (State Gazette of the R.I. of 2010 No/85, State Gazette Supplement of the R.I. No.5142);
5. Presidential Decree No.59/P Year 2011 dated October 18, 2011;
6. Regulation of the Minister of Energy and Mineral Resources No.34 Year 2009 concerning the Priority to Supply Mineral and Coal for Domestic Interest (State Bulletin of the R.I. of 2009 No.546);
7. Regulation of the Minister of Energy and Mineral Resources No.17 Year 2010 concerning the Procedures of Determining the Standard Selling Price of Mineral and Coal (State Bulletin of the R.I. of 2010 No.463);
8. Regulation of the Minister of Energy and Mineral Resources No.18 Year 2010 concerning Organization and Work Arrangement of the Ministry of Energy and Mineral Resources (State Bulletin of the R.I. of 2010 No.552) as amended with the Regulation of the Minister of Energy and Mineral Resources No.22 Year 2013 (State Bulletin of the R.I. of 2013 No.1022);
9. Regulation of the Minister of Energy and Mineral Resources No.7 Year 2012 concerning the Need to Increase Added Value of Minerals through Processing and Refining (State Bulletin of the R.I. of 2012 No. 165) as twice amended lastly with the Regulation of the Minister of Energy and Mineral Resources No.20 Year 2013 (State Bulletin of the R.I. of 2013 No.993);

**HAS DECIDED:**

To establish : THE REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES CONCERNING THE PROCEDURES OF ISSUING SPECIAL LICENSE IN MINERAL AND COAL MINING.

**CHAPTER I**  
**GENERAL PROVISION**

**Article 1**

In this Ministerial Regulation:

1. Mining refers to a part or the entire stages of activities in the frame work of survey, management and exploitation of mineral or coal which encompass general survey, exploration, feasibility study, construction, mining, processing and refining, transporting and selling as well as postmining activities.
2. Mining Business License of Exploration, hereinafter referred to as Exploration IUP, refers to a business license given to carry out the stages of activities of general survey, exploration and feasibility study.
3. Special Mining Business License of Exploration, hereinafter referred to as Exploration IUPK, refers to a business license given to carry out the stages of activities of general survey, exploration and feasibility study in a special mining business license area.
4. People's Mining License, hereinafter referred to as IPR, refers to a license to carry out the business of mining in people's mining area with limited area and investment.
5. Mining Business License Area, hereinafter referred to as WIUP, refers to an area given to the holder of IUP.
6. Special Mining Business License Area, hereinafter referred to as WIUPK, refers to an area given to the holder of IUPK.
7. Mining Business License of Production Operation exclusively for

transportation and sales, hereinafter referred to as Production Operation IUP exclusively for transportation and sales, refers to a business license given to a company for buying, transporting and selling mine commodities of minerals or coal.

8. Mining Business License of Production Operation exclusively for processing and/or refining, hereinafter referred to as Production Operation IUP exclusively for processing and/or refining, refers to a business license given to a company for buying, transporting, processing and refining which includes selling of its processed mine commodities of minerals or coal.
9. Processing and Refining refers to mining business activities to upgrade the quality of minerals and/or coal as well as to utilize and obtain associated minerals.
10. Transportation refers to mining business activities of moving minerals and/or coal from mine area and/or place of processing and refining up to delivery point.
11. Sales refer to mining business activities for selling mining products of minerals or coal.
12. Business Entity refers to every legal body engaged in mining established based on Indonesian law and domiciled in the territory of the Unitary State of the Republic of Indonesia.
13. Work Plan of Expense Budget, hereinafter referred to as RKAB, refers to a planned activities and budget which should be submitted by the holder of IUP every calendar year in November.
14. License in Principle of processing and/or refining refers to a license given before a company obtains Production Operation IUP exclusively for processing and/or refining

as a requirement in the process of licensing from a related agency and for preparing other documents.

15. Contract of Work refers to an agreement between the Government of Indonesia and a company of Indonesian legal body in the framework of foreign capital investment to realize the business of mining extractive materials, exclusive of petroleum, natural gas, geothermal, radio active and coal.
16. Work Agreement on Coal Mining Business Undertaking or Coal Contract of Work, hereinafter referred to as PKP2B, refers to an agreement between the Government of the Republic of Indonesia and a company of Indonesian legal body to realize the business of mining extractive material of coal.
17. Minister refers to the minister who administers governance affairs in mineral and coal mining.

## **Article 2**

- (1) The special license in mineral and coal Mining is comprised of:
  - a. a temporary license to carry out transportation and sales;
  - b. Production Operation IUP for sales;
  - c. Production Operation IUP exclusively for transportation and sales; and
  - d. Production Operation IUP exclusively for processing and/or refining.
- (2) A temporary license to carry out transportation and sales as referred to in sub-article (1) letter a is given to a company holder of Exploration IUP and Exploration IUPK of minerals or coal.
- (3) Production Operation IUP for sales as referred to in sub-article (1) letter b is given to a company in the form of a Business Entity not engaged in

mining business.

(4) Production Operation IUP exclusively for transportation and sales and Production Operation IUP exclusively for processing and/or refining as referred to in sub-article (1) letter c and letter d are given to :

- a. Business Entity;
- b. Cooperatives; and
- c. individuals which comprised of:
  1. an individual person;
  2. a limited partnership; and/or
  3. a firm.

(5) Every company as referred to in sub-article (2), sub-article (3) and sub-article (4) can only be given 1 (one) type of special license in mineral and coal mining.

(6) Every company as referred to in sub-article (2), sub-article (3) and sub-article (4) may not own more than 1 (one) license of each type of special License in mineral and coal mining issued by the Minister, governor, or regent/mayor in accordance with his/her competence.

**CHAPTER II**  
**TEMPORARY LICENSE**  
**FOR TRANSPORTATION AND SALES**

**Article 3**

(1) The holder of Exploration IUP and Exploration IUPK intending to sell minerals or coal extracted at the time of exploration and feasibility study should have a temporary license for transportation and sales as referred to

in Article 2 sub-article (1) letter a.

- (2) The temporary license for transportation and sales as referred to in sub-article (1) is given by the Minister, governor or regent/mayor in accordance with his/her competence.
- (3) To obtain the temporary license for transportation and sales, the holder of Exploration IUP or Exploration IUPK should submit an application to the Minister, governor or regent/mayor in accordance with his/her competence.
- (4) The application as referred to in sub-article (3) should attach:
  - a. method of exploration;
  - b. final report of detailed exploration in WIUP or WIUPK;
  - c. the tonnage of minerals or coal extracted in WIUP or WIUPK;
  - d. quality of minerals or coal extracted in WIUP or WIUPK including a certificate of sampling and analysis of minerals or coal from accredited laboratory;
  - e. proof of paid off dead rent since the issue of Exploration IUP or Exploration IUPK; and
  - f. sale and purchase agreement with buyer of minerals or coal.

#### **Article 4**

- (1) In the case the application for temporary license for transportation and sales as referred to in Article 3 is already complete, the Minister, governor or regent/mayor in accordance with his/her competence inspects and evaluates the minerals or coal extracted in the location of WIUP or WIUPK by making an official report on inspection and evaluation.
- (2) The governor or regent/mayor in accordance with his/her competence

assigns the provincial technical service or the regency/city technical service in charge of minerals and coal to carry out inspection and evaluation on minerals or coal extracted as referred to in sub-article (1).

- (3) The official report on inspection and evaluation as referred to in sub-article (1), contains the estimated tonnage of minerals or coal extracted at the exploration and/or feasibility study points in WIUP or WIUPK.
- (4) Based on the result of inspection and evaluation as referred to in sub-article (1), sub-article (2) and sub-article (3), the Minister, governor or regent/mayor in accordance with his/her competence makes his/her decision whether to grant or refuse the application for a temporary license for transportation and sales.
- (5) The refusal of the application for a temporary license for transportation and sales as referred to in sub-article (4) is determined within a period of 14 (fourteen) working days at the latest, as of the date of receipt of the application complete and correct.
- (6) The provision concerning the format of decision for giving the temporary license for transportation and sales as referred to in sub-article (5) is included in Appendix I which constitutes an inseparable part of this Ministerial Regulation.
- (7) In the case the application for a temporary license for transportation and sales is refused, the refusal should be delivered in writing to the applicant of temporary license for transportation and sales including the reason for refusal.

## **Article 5**

The temporary license for transportation and sales is only given once and cannot be extended with tonnage in accordance with the result of inspection and evaluation as

contained in the official report on the inspection and evaluation as referred to in Article 4 sub-article (3).

## **Article 6**

- (1) The holder of temporary license for transportation and sales should:
  - a. realize the transportation and sales of extracted mine commodities in compliance with the provision of the laws and regulations;
  - b. pay production due for metallic mineral or coal or regional tax of regency/city for non-metallic mineral or extracted rocks whose quantity is in compliance with the provision of the laws and regulations; and
  - c. submit a report on the result of Selling extracted mineral and/or coal to the Minister, governor or regent/mayor in accordance with his/her competence.
- (2) The holder of temporary license for transportation and sales has the right to transport and sell extracted mineral or coal from the piling location of mineral or coal up to the point of delivery at the port or end users in 1 (one) island either located in 1(one) regency/city area, at cross regency/city area in 1 (one) province as well as in cross provincial area in compliance with the provision of the laws and regulations.
- (3) The holder of temporary license for transportation and sales is prohibited from transporting and selling extracted mineral or coal out of Indonesia in compliance with the provision of the laws and regulations.

## **Article 7**

In the case the result of inspection and evaluation in the field, shows that they are extracted on purpose and is not in line with the method of exploration already submitted in the final report on detailed exploration, the holder of Exploration IUP or Exploration IUPK can be imposed with a criminal sanction in compliance with the provision of the laws and regulations.

**CHAPTER III**  
**MINING BUSINESS LICENSE**  
**OF PRODUCTION OPERATION**  
**FOR SALES**

**Article 8**

- (1) A Business Entity not engaged in Mining business which intends to sell extracted metallic mineral, non metallic mineral, rocks, and/or coal, should be in possession of Production Operation IUP for sales before hand as referred to in Article 2 sub-article (1) letter b.
  
- (2) A Business Entity not engaged in mining business as referred to in sub-article (1) constitutes a Business Entity which i.a. carries out the activities of:
  - a. the construction of road traffic means and infrastructure;
  - b. the construction of port;
  - c. the development of tunnels;
  - d. the development of civil construction; and/or
  - e. dredging of river, lake and/or sea traffic lane.
  
- (3) In the case of a Business Entity not engaged in Mining business as referred to in sub-article (1) does not intend to sell extracted non-

metallic mineral and/or rocks and is to utilize it for the interest of its activities as referred to in sub-article (2) remains obligated to possess Production Operation IUP for sales.

(4) Production Operation IUP for sales as referred to in sub-article (1) and sub-article (3) is given by:

- a. the Minister, if the extracted mineral and/or coal is found in cross province and/or bordering directly with another country and/or in sea area of more than 12 (twelve) miles from the coastline;
- b. the governor if the extracted mineral and/or coal is found in cross regency/city in 1 (one) province and/or sea area of 4 (four) up to 12 (twelve) miles; or
- c. regent/mayor if the extracted mineral and/or coal is found in 1(one) regency/city area and/or sea area up to 4 (four) miles.

(5) To obtain Production Operation IUP for sales, the Business Entity not engaged in Mining business should submit an application to the Minister, governor or regent/mayor in accordance with his/her competence.

(5) The application as referred to in sub-article (5) should be attached with:

- a. a notary deed of establishment of the Business Entity including the deed of its amendment legalized by a competent official;
- b. profile of the Business Entity;
- c. Taxpayer's ID Number (NPWP);
- d. a copy of the business license owned from the competent agency;
- e. the master plan of activities being worked on;
- f. tonnage of extracted mineral and/or coal due to the activities carried out;
- g. quality of extracted mineral or coal including certificate of sampling and

mineral or coal analysis from the accredited laboratory; and  
h. sale and purchase agreement with buyer if the extracted metallic mineral, non-metallic mineral, rocks, and/or coal are to be sold.

### **Article 9**

- (1) In the case the application for Production Operation IUP for sales submitted by the Business Entity not engaged in mining business as referred to in Article 8 is complete, the Minister, governor or regent/mayor in accordance with his/her competence inspects and evaluates the extracted mineral and/or coal at the location where mineral and/or coal is extracted by making an official report on the inspection and evaluation.
- (2) The governor or regent/mayor in accordance with his/her competence assigns the provincial technical service or the regency/city technical service in charge of mineral and coal to carry out inspection and evaluation of the extracted mineral and/or coal as referred to in sub-article (1).
- (3) The official report on inspection and evaluation as referred to in sub-article (1), contains an estimated tonnage of the extracted mineral and/or coal at points due to the activities as referred to in Article 8 sub-article (2).
- (4) Based on the result of inspection and evaluation as referred to in sub-article (1), sub-article (2) and sub-article (3), the Minister, governor or regent/mayor in accordance with his/her competence decides whether to grant or refuse the application for Production Operation IUP for sales.
- (5) The granting or refusal of application for Production Operation IUP for sales as referred to in sub-article (4) is determined in 14 (fourteen) working days at the latest, as of the date of receipt of the application complete and correct.

- (6) The provision concerning the format of decision to issue the Production Operation IUP for sales as referred to in sub-article (5) is included in Appendix II which constitutes an inseparable part of this Ministerial Regulation.
- (7) In the case the application for Production Operation IUP is refused, the refusal should be delivered in writing to the applicant of Production Operation IUP for sales including the reason for refusal.

#### **Article 10**

The Production Operation IUP for sales is only given once and cannot be extended, with tonnage in accordance with the result of inspection and evaluation in compliance with the official report on inspection and evaluation as referred to in Article 9 sub-article (3).

#### **Article 11**

- (1) In the case the extracted mineral and/coal as referred to in Article 8 is found in WIUP or WIUPK and/or in the Contract of Work area or the PKP2B area, the right to sell the extracted mine commodities is in the hands of the holder of IUP, IUPK, Contract of Work or PKP2B.
- (2) The holder of IUP, IUPK, Contract of Work, or PKP2B who intends to sell the extracted mineral and/or coal as referred to in sub-article (1) at the stages of exploration and feasibility study should possess a temporary license for transportation and sales as referred to in Article 2 sub-article (1) letter a.
- (3) To obtain the temporary license for transportation and sales and the right and obligation of the holder of temporary license for transportation and sales the provisions as referred to in Article 3 up to Article 7 are applied.

## **Article 12**

- (1) The holder of Production Operation IUP for sales should:
  - a. carry out transportation and sales of extracted mine commodities in compliance with the provision of the laws and regulations;
  - b. pay production due for metallic mineral or coal or regional tax of regency/city for extracted non-metallic mineral or rocks whose quantity is in compliance with the provision of the laws and regulations;
  - c. submit a report on the result of selling extracted mineral and/or coal or to be utilized for the interest of their activities to the Minister, governor or regent/mayor in accordance with his/her competence.
  
- (2) The holder of Production Operation IUP for sales has the right to Transport and Sell mineral or coal from the piling location of extracted mineral or coal up to the point of delivery at the port or end users in 1 (one) island either that in 1(one) regency/city area, in cross regency/city area in 1 (one) province, as well as in cross provincial area in compliance with the provision of the laws and regulations.
  
- (3) The holder of Production Operation IUP for sales is prohibited from:
  - a. transferring of ownership of their IUP to another party; and
  - b. transporting and selling extracted mineral or coal out of Indonesia in compliance with the provision of the laws and regulations.

## **CHAPTER IV**

### **MINING BUSINESS LICENSE OF PRODUCTION OPERATION EXCLUSIVELY FOR TRANSPORTATION AND SALES**

#### **First Part**

#### **General**

### **Article 13**

- (1) In carrying out Transportation and Sales, the holder of Production Operation IUP or Production Operation IUPK may cooperate with another party in possession of Production Operation IUP exclusively for transportation and sales as referred to in Article 2 sub-article (2) letter c.
- (2) Production Operation IUP exclusively for transportation and sales as referred to in sub-article (1) is given to a company by:
  - a. the Minister if transportation and sales are carried out cross province and/or cross state or that the capital is in the framework of foreign capital investment.
  - b. the governor if transportation and sales are carried out cross regency/city in 1 (one) province; or
  - c. the regent/mayor if transportation and sales are carried out in 1 (one) regency/city.

### **Article 14**

- (1) The holder of Production Operation IUP exclusively for transportation and sales issued by the Minister, governor or regent/mayor in accordance with his/her competence as referred to in Article 13 sub-article (2) may carry out transportation and sales of mine commodities which originated from the holder of:
  - a. Production Operation IUP issued by the Minister, governor or regent/mayor in accordance with his/her competence;
  - b. Production Operation IUPK;
  - c. Production Operation IUP exclusively for processing and/or refining issued by the Minister, governor or regent/mayor in accordance with his/her competence; and/or

d. IPR.

- (2) The holder of Production Operation IUP exclusively for transportation and sales issued by the Minister, besides carrying out transportation and sales of mine commodities as referred to in sub-article (1) may carry out transportation and sales of mine commodities from another holder of Production Operation IUP exclusively for transportation and sales whose license is given by the governor or regent/mayor.
- (3) The holder of Production Operation IUP exclusively for transportation and sales issued by the governor besides carrying out Transportation and Sales of mine commodities as referred to in sub-article (1) may carry out transportation and sales of mine commodities from the other holder of Production Operation IUP exclusively for transportation and sales whose license is given by the regent/mayor.

## **Second Part**

### Requirements and Procedures of Applying for Production Operation IUP Exclusively for Transportation and Sales

#### **Article 15**

- (1) To obtain Production Operation IUP exclusively for transportation and sales, a company should submit an application to the Minister, governor or regent/mayor in accordance with his/her competence.
- (2) The application for Production Operation IUP exclusively for transportation and sales as referred to in sub-article (1) should meet:
  - a. the administrative;
  - b. technical;

- c. environmental; and
- d. financial; requirements.

## **Article 16**

. (1) The administrative requirements as referred to in Article 15 sub-article

(2) letter a for:

a. Business Entity, at least encompass:

1. application;
2. profile of Business Entity;
3. notary deed of establishment of Business Entity engaged in mineral or coal Mining business exclusively in transportation and sales of mineral or coal including its deed of amendment legalized by a competent official;
4. Taxpayer's ID Number (NPWP);
5. composition of the management and list of shareholders;
6. written reference of domicile;
7. agreement of cooperation in Transportation and Sales of mineral or coal between the applicant and the holder of:
  - a) Production Operation IUP;
  - b) Production Operation IUPK;
  - c) Production Operation IUP exclusively for processing and/or refining;
  - d) IPR; and/or
  - e) other Production Operation IUP exclusively for transportation and sales,

which had obtained recommendations from the Minister, governor or regent/mayor in accordance with his/her competence.

8. copies of Production Operation IUP, Production Operation IUPK, Production Operation IUP exclusively for processing and/or refining, IPR, and/or other Production Operation IUP exclusively for transportation and sales already registered at the Directorate General and own certificates of clean and clear; and
  9. agreement of cooperation in the sales of mineral or coal with domestic and/or oversea buyers.
- b. an individual person should at least encompass:
1. application;
  2. ID card (KTP);
  3. Taxpayer's ID Number (NPWP);
  4. a reference letter of domicile;
  5. agreement of cooperation in transportation and sales of mineral or coal between the applicant and the holder of:
    - a) Production Operation IUP;
    - b) Production Operation IUPK;
    - c) Production Operation IUP exclusively for processing and/or refining;
    - d) IPR; and/or
    - e) other Production Operation IUP exclusively for transportation and sales,which had obtained recommendation from the Minister, governor or regent/mayor in accordance with his/her competence.
  6. copies of Production Operation IUP, Production Operation IUPK, Production Operation IUP exclusively for processing and/or refining, IPR, and/or other Production Operation IUP exclusively for transportation and sales already registered at the Directorate General and own certificates of clean and clear; and

7. agreement of cooperation in the sales of mineral or coal with domestic and/or oversea buyers.

d. a firm and a limited partnership company at least encompass:

1. application;
2. company profile;
3. notary deed of establishment of the company engaged in mineral or coal mining business exclusively in transportation and sales of mineral or coal including its deed of amendment already legalized by a competent official.
4. Taxpayer's ID Number (NPWP);
5. composition of the board;
6. reference letter of domicile;
7. agreement of cooperation in transportation and sales of mineral or coal between the applicant and the holder of:
  - a) Production Operation IUP;
  - b) Production Operation IUPK;
  - c) other Production Operation IUP exclusively for processing and/or refining.
  - d) IPR; and/or
  - e) other Production Operation IUP exclusively for transportation and sales, which had obtained recommendations from the Minister, governor or regent/mayor in accordance with his/her competence.
8. copies of Production Operation IUP, Production Operation IUPK, Production Operation IUP Exclusively for processing and/or refining, IPR, and/or other Production Operation IUP exclusively for transportation and sales

already registered at the Directorate General and own the certificate of clean and clear; and

9. agreement of cooperation in the sale of mineral or coal with domestic and/or oversea buyers.

(3) The agreement of cooperation in transportation and sales as referred to in sub-article (1) letter a figure 7 and figure 9, letter b figure 7 and figure 9, letter c figure 5 and figure 7 and letter d figure 7 and figure 9 contain materials, i.a.:

- a. tonnage and schedule of the planned transportation and sales;
- b. price agreement on the transportation and sales of mineral is executed:
  1. Free on Board on transport vessel;
  2. Free on Board on barge;
  3. up to domestic end users; or
  4. Cost Insurance Freight or Cost and Freight.
- c. price agreement on the transportation and sales of coal is executed:
  1. Free on Board on transport vessel;
  2. Free on Board on barge;
  3. in one island up to end users; or
  4. Cost Insurance Freight or Cost and Freight.
- d. type, quality and origin of mineral and coal commodities to be transported;
- e. destination of sales and time span of cooperation agreement;
- f. the purchase of mine commodities of mineral and coal is based on the standard price in compliance with the provision of the laws and regulations.

## **Article 17**

(1) Technical requirements as referred to in Article 15 sub-article (2) letter b encompass:

- a. Work Plan and Cost Expenses (RKAB); and
- b. List of equipment including transportation fleet.

(2) Apart from technical requirements as referred to in sub-article (1) for mine commodities originated from the holder of:

- a. Production Operation IUP and/or Production Operation IUPK should be completed with:
  - 1. a report on the result of final exploration containing data about resources or reserves from the holder of Production Operation IUP or Production Operation IUPK;
  - 2. production plan per year of the holder of Production Operation IUP and/or Production Operation IUPK in accordance with the RKAB agreed upon;
  - 3. RKAB agreement of the last 2 (two) years including data of plan and realization of production and Sales;
  - 4. photocopy of agreement on feasibility study and environmental license complete with information about reserves and long-term production plan in accordance with mine life legalized by a competent agency;
  - 5. proof of paid off dead rent of the last 5 (five) years or since the issue of Production Operation IUP and/or Production Operation IUPK; and
  - 6. proof of paid off production due for metallic mineral and coal or proof of paid off regional tax of regency/city for non-metallic

mineral and rocks in the last 5 (five) years or since the issue of Production Operation IUP or Production Operation IUPK.

- b. Production Operation IUP exclusively for processing and/or refining should be completed with:
  - 1. production capacity per year; and
  - 2. proof of paid off production due for associated minerals utilized.
  
- c. IPR should be completed with:
  - 1. production capacity per year;
  - 2. proof of paid off dead rent in the last 5 (five) years or since the issue of IPR; and
  - 3. proof of paid off production due for metallic mineral and coal or proof of paid off regional tax of regency/city for non-metallic mineral and rocks in the last 5 (five) years or since the issue of IPR.
  
- d. Other Production Operation IUP exclusively for transportation and sales should be completed with data of resources or reserves from the holder of Production Operation IUP and/or Production Operation IUPK in cooperation with the holder of Production Operation IUP exclusively for transportation and sales concerned.

### **Article 18**

Environmental requirements as referred to in Article 15 sub-article (2) letter c encompass:

- a. statement of readiness to abide by the provision of the laws and regulations in environmental protection and management ;
- b. statement of readiness to abide by the provision of the laws and regulations in traffic and road transportation either on land, sea or river for transporting of mineral and coal.

## **Article 19**

Financial requirements as referred to in Article 15 sub-article (2) letter c encompass:

- a. financial report of the final year audited by a public accountant except for a new company which has to submit the final financial report;
- b. a statement of readiness to abide by the provision of the laws and regulations connected with the standard price of selling mineral and coal; and
- c. a reference form a Government bank and/or a national private bank.

## **Article 20**

- (1) In the case the application for Production Operation IUP exclusively for transportation and sales as referred to in Article 15 up to Article 19 is already complete, the Minister, governor or regent/mayor in accordance with his/her competence carries out inspection and evaluation.
- (2) The governor or regent/mayor in accordance with his/her competence assigns the provincial technical service or the regency/city technical service in charge of mineral and coal to carry out inspection and evaluation as referred to in sub-article (1).
- (3) Based on the result of inspection and evaluation as referred to in sub-article (1) and sub-article (2), the Minister, governor or regent/mayor in accordance with his/her competence decides whether to grant or refuse the application for Production Operation IUP exclusively for transportation and sales.
- (4) The granting or refusal of the application for Production Operation IUP exclusively for transportation and sales as referred to in sub-article (3) is

determined in 14 (fourteen) working days at the latest as of the date of receipt of the application complete and correct.

(5) Production Operation IUP exclusively for transportation and sales as referred to in sub-article (4) at least contains;

- a. name of Business Entity, cooperatives, or individual;
- b. address of Business Entity, cooperatives, or individual;
- c. composition of the board of Business Entity, cooperative, or individual;
- d. share composition for Business Entity or share ownership for cooperatives and individual;
- e. name of shareholder for Business Entity;
- f. the type of business given for transportation and the sales of mineral or coal;
- g. origin of mine commodities to be transported and sold based on cooperation agreement on transportation and sales with the holder of:

1. Production Operation IUP;
2. Production Operation IUPK;
3. Production Operation IUP exclusively for processing and refining;
4. IPR; and/or
5. Other Production Operation IUP exclusively for transportation and sales,  
which had obtained recommendation from the Minister, governor or regent/mayor in accordance with his/her competence;

h. time span of Production Operation IUP exclusively for transportation and sales; and

i. right and obligation of the holder of Production Operation IUP exclusively for transportation and sales.

(6) The provision concerning the format of decision for giving Production Operation IUP exclusively for transportation and sales as referred to in sub-article (5) is included in Appendix III which constitutes an inseparable part of this Ministerial Regulation.

(7) In the case the application for Production Operation IUP exclusively for transportation and sales is refused, the refusal should be delivered in writing to the applicant of Production Operation IUP exclusively for transportation and sales including the reason for refusal.

### **Third Part**

#### **Time Span of Production Operation IUP Exclusively For Transportation and sales**

#### **Article 21**

(1) Production Operation IUP exclusively for transportation and sales is given for a time span of at least 3 (three) years and 5 (five) years at the most and can be extended for a time span of 3 (three) years at the most for every extension.

(2) The application for extension of Production Operation IUP exclusively for transportation and sales as referred to in sub-article (1) should be submitted 6 (six) months at the quickest and 2 (two) months at the latest before the Production Operation IUP exclusively for transportation and sales terminates.

### **Fourth Part**

#### **Right and Obligation of the Holder of Production Operation IUP Exclusively for Transportation and Sales**

#### **Article 22**

(1) In the case the holder of Production Operation IUP exclusively for transportation and sales issued by the Minister, governor or regent/mayor in accordance with his/her competence is to carry out transportation and sales whose mine commodities are originated other than from the company which had been included in the Production Operation IUP exclusively for their transportation and sales should submit an application for adjustment to the Production Operation IUP exclusively for transportation and sales to the Minister, governor or regent/mayor in accordance with his/her competence.

(2) In the case the holder of Production Operation IUP exclusively for transportation and sales issued by the Minister, governor or regent/mayor in accordance with his/her competence is to increase the capacity of transportation should submit an application for adjustment to the Production Operation IUP exclusively for transportation and sales to the Minister, governor or regent/mayor in accordance with his/her competence.

(3) The application for adjustment to the Production Operation IUP exclusively for transportation and sales as referred to in sub-article (1) is submitted with the following requirements:

- a. meeting the requirements and procedures as referred to in Article 16 sub-article (1) letter a figure 1, figure 7 up to figure 9, letter b figure 1, figure 7 up to figure 9, letter c figure 1, figure 5 up to figure 7, letter d figure 1, figure 7 up to figure 9, Article 16 sub-article (2) and Article 17 sub-article (2); and
- b. a revised RKAB.

(4) The application for adjustment to Production Operation IUP exclusively for transportation and sales as referred to in sub-article (2) is submitted with the following requirements:

- a. meeting the requirements and procedures as referred to in Article 16 sub-article (1) letter a figure 1, figure 7 and figure 9, letter b figure 1, figure 7 and figure 9, letter

- c figure 1, figure 5 and figure 7, letter d figure 1, figure 7 and figure 9, and Article 16 sub-article (2);
- b. the reason for increasing the capacity of Transportation and sales; and
- c. a revised RKAB.

### **Article 23**

Every holder of Production Operation IUP exclusively for transportation and sales has the right:

- a. to purchase mine commodities from the holder of :
  - 1. Production Operation IUP;
  - 2. Production Operation IUPK;
  - 3. Production Operation IUP exclusively for processing and/or and refining;
  - 4. IPR; and/or
  - 5. other Production Operation IUP exclusively for transportation and sales, which had been registered at the Directorate General and owns the certificate of clean and clear.
- b. to carry out transportation and sales of mine commodities of mineral and coal purchased as referred to letter a, from Free on Board Barge or Free on Board Vessel to be transported and sold
  - 1. cross province and cross state for the holder of Production Operation IUP exclusively for transportation and sales issued by the Minister.
  - 2. cross regency/city in 1 (one) province for the holder of Production Operation IUP exclusively for transportation and sales issued by the governor; or
  - 3. in 1(one) regency/city for the holder of Production Operation IUP exclusively for transportation and sales issued by the regent/mayor, in compliance with the provision of the laws and regulations;

- d. to build and/or use the facilities of transportation and sales infrastructure among others, stockpile, pier or specific port in compliance with the provision of the laws and regulations.

#### **Article 24**

- (1) The holder of Production Operation IUP exclusively for transportation and sales issued by the regent/mayor is prohibited from selling mineral or coal to the holder of Production Operation IUP exclusively for transportation and sales issued by the regent/mayor concerned.
- (2) The holder of Production Operation IUP exclusively for transportation and sales issued by the governor is prohibited from selling mineral or coal to the holder of Production Operation IUP exclusively for transportation and sales issued by the governor concerned.
- (3) The holder of Production Operation IUP exclusively for transportation and sales issued by the Minister is prohibited from selling mineral or coal to the holder of Production Operation IUP exclusively for transportation and sales issued by the Minister.

#### **Article 25**

- (1) The holder of Production Operation IUP exclusively for transportation and sales issued by the regent/mayor may sell mineral or coal to the holder of Production Operation IUP exclusively for transportation and sales issued by the governor or the Minister.

- (2) The holder of Production Operation IUP exclusively for transportation and sales issued by the governor may sell mineral or coal to the holder of Production Operation IUP exclusively for transportation and sales issued by the Minister.

### **Article 26**

- (1) Every holder of Production Operation IUP exclusively for transportation and sales to transport and sell mineral or coal from Free on Board Barge or Free on Board Vessel at the location of the port should include:

- a. a reference letter of Transportation and Sales of mineral or coal from the holder of:
1. Production Operation IUP;
  2. Production Operation IUPK;
  3. Production Operation IUP exclusively for processing and/or refining;
  4. IPR; and/or
  5. other Production Operation IUP exclusively for transportation and sales,  
which had been registered at the Directorate General and owns a certificate of clean and clear.
- b. documents with the buyer containing:
1. destination of deliver/destination of receiving company;
  2. port of loading;
  3. date of loading;
  4. specification of mineral and coal completed with certificate of weight certificate of sampling and analysis from the surveyor appointed by the Minister or the related agency;
  5. bill of lading/cargo manifest;
  6. sales invoice of mineral is effected:

- a) Free on Board Vessel;
  - b) Free on Board Barge
  - c) up to domestic end users; or
  - d.) Cost Insurance Freight or Cost and Freight,  
in compliance with the provision of the laws and regulations.
7. invoice of coal sales is effected:
- a. Free on Board Vessel;
  - b. Free on Board Barge;
  - c. In 1 (one) island up to end user; or
  - d. Cost Insurance Freight or Cost and Freight,  
in compliance with the provision of the laws and regulations; and
8. notification on goods for export (PEB) if they are to be sold abroad.

(2) The reference letter as referred to in sub-article (1) letter a is sent as copy to the Minister, governor or regent/mayor in accordance with his/her competence containing the following reference:

- a. the type of mine commodities;
- b. mine commodities purchased and transported are in accordance with the agreement of cooperation in transportation and sales of mineral or coal;
- c. means of transport;
  - 1. name of barge/vessel, truck or other transportation means; and
  - 2. weight/volume/total cargo.
- d.. port of loading;
- e. date of loading; and
- f. specification of mineral and coal completed with certificate of weight and certificate of sampling and analysis from the surveyor

appointed by the Minister or related agency..

### **Article 27**

(1) The holder of Production Operation IUP exclusively for transportation and sales should:

- a. submit the RKAB on the running year to the Minister, governor, or regent/mayor in accordance with his/her competence in 14 (fourteen) working days at the latest after the issue of Production Operation IUP exclusively for transportation and sales;
- b. submit the RKAB of the following year to obtain approval together with the report on the realization of RKAB in 45 (forty-five) calendar days at the latest before the end of every calendar year to the Minister, governor or regent/mayor in accordance with his/her competence.
- c. submit a report on activities encompassing monthly, quarterly and annual report on the activities of production operation exclusively for transportation and sales.
  - d. meet the standard price on the sales of mineral and coal in compliance with the provision of the laws and regulations;
  - e. meet the minimum limit of processing and/or refining of mineral or coal in the framework of oversea sales in compliance with the provision of the laws and regulations.
- f. practice transportation technique and the business of selling mine commodities appropriately and correctly referring to RKAB agreed upon;
- g. prioritize in fulfilling the need at home.
- h. submit a report if building transportation facilities and loading and unloading facilities to be used in compliance with the [provision of the laws and regulations.
- i. help in developing and empowering the community affected by the impact of activities.
- j. prioritize the involvement of local workforce, goods and services;

- k. abide by the provision of the laws and regulations on traffic and road transportation if using public road facilities, among others obeying the level of load capacity adjusted to the class of the road, compactness of the road and the risk of traffic accident;
  - l. be responsible toward health and occupational safety and environment created by the activities of transportation and sales business;
    - m. accept inspection by functionaries appointed by the Minister, governor or regent/mayor in accordance with his/her competence at any time; and
  - n. provide data and information required by the Minister, governor or regent/mayor in accordance with his/her competence at any time.
- (2) RKAB and report on the activities of transportation and sales as referred to in sub-article (1), are submitted to the Minister, governor or regent/mayor in accordance with his/her competence with copies to:
- a. the Minister and the governor if the Production Operation IUP exclusively for transportation and sales is issued by the regent/mayor;
  - b. the Minister and regent/mayor if the Production Operation IUP exclusively for transportation and sales is issued by the governor; or
  - c. the governor and regent/mayor if the Production Operation IUP exclusively for transportation and sales is issued by the Minister.
- (3) The Minister, governor or regent/mayor in accordance with his/her competence evaluate the RKAB and the report on the activities as referred to in sub-article (1) in 14 (fourteen) days at the latest since the receipt of the report.
- (4) The Minister, governor or regent/mayor in accordance with his/her competence gives his/her approval to the RKAB based on the result of evaluation as referred to in sub-article (3).

- (5) The Minister, governor or regent/mayor facilitates, nurtures and supervises the implementation of the right and obligation of the holder of Production Operation IUP exclusively for transportation and sales, and supervises on the origin and quantity of mine commodities and/or processed and/or refined products transported and sold.

### **Article 28**

The holder of Production Operation IUP exclusively for transportation and sales is prohibited from transporting and selling mine products which are not originated from the holder of:

- a. Production Operation IUP;
- b. Production Operation IUPK;
- c. Production Operation IUP exclusively for processing and/or refining;
- d. IPR; and/or
- e. Other Production Operation IUP exclusively for transportation and sales, already registered at the Directorate General and owns a certificate of clean and clear.

### **Article 29**

- (1) The holder of Production Operation IUP exclusively for transportation and sales is prohibited from transferring their IUP to another party.
- (2) The transfer of shares of the holder of Production Operation IUP exclusively for transportation and sales may only be made after obtaining approval from the Minister, governor or regent/mayor in accordance with his/her competence.

**Fifth Part**  
**Extension of Production Operation IUP**  
**Exclusively for Transportation and Sales**

**Article 30**

(1) Application for extension of Production Operation IUP

exclusively for transportation and sales as referred to in Article 21 is submitted to the Minister, governor or regent/mayor in accordance with his/her competence.

(2) Application for extension as referred to in sub-article (1) should be attached with:

- a. realization of RKAB during the last 2 (two) years;
- b. a report on the activities of Transportation and Sales during the last 2 (two) years;
- c. agreement of cooperation on Transportation and Sales of mineral or coal between the applicant and the holder of:
  1. Production Operation IUP;
  2. Production Operation IUPK;
  3. Production Operation IUP exclusively for processing and/or refining;
  4. IPR; and/or
  5. other Production Operation IUP exclusively for transportation and sales, which have obtained recommendations from the Minister, governor or regent/mayor in accordance with his/her competence;
- d. copies of Production Operation IUP, Production Operation IUPK, Production Operation IUP exclusively for processing and/or refining, IPR and/or other Production Operation IUP exclusively for transportation and sales already registered at the Directorate General and own the certificate of clean and clear;

- e. agreement of cooperation on the sale of mineral or coal with domestic and oversea buyers;
  - f. technical requirements as referred to in Article 17; and
  - g. financial report during the last 2 (two) years audited by a public accountant.
- (3) The report on the activities of Transportation and Sales as referred to in sub-article (2) letter b is to contain at least:
- a. transportation and sales from supplier up to end users; and
  - b. invoice of purchase and invoice of Sales of mineral or coal.
- (4) The agreement of cooperation as referred to in sub-article (2) letter c and letter e contains materials as referred to in Article 16 sub-article (2).
- (5) The Minister, governor or regent/mayor in accordance with his/her competence inspects and evaluates the application for extension as referred to in sub-article (1), sub-article (2), sub-article (3) and sub-article (4) and the company's performance while holding Production Operation IUP exclusively for transportation and sales.
- (6) Based on the result of inspection and evaluation as referred to in sub-article (5), the Minister, governor or regent/mayor in accordance with his/her competence decides whether to grant or refuse the application for extension of production Operation IUP exclusively for transportation and sales.
- (7) The granting or refusal of the application for extension of production Operation IUP exclusively for transportation and sales as referred to in sub-article (6) is determined in 14 (fourteen) working days at the latest as of the date of receipt of the application complete and correct.

- (8) In the case the application for extension of Production Operation IUP exclusively for transportation and sales is refused, the refusal should be delivered in writing to the applicant of extension of Production Operation IUP exclusively for transportation and sales including the reason for refusal.

CHAPTER V  
MINING BUSINESS LICENSE OF PRODUCTION OPERATION  
EXCLUSIVELY FOR PROCESSING AND/OR REFINING

**First Part**

**General**

**Article 31**

- (1) The holder of Production Operation IUP or Production Operation IUPK should carry out Processing and/or Refining either directly or through cooperation with the company which had obtained Production Operation IUP exclusively for processing and/or refining as referred to in Article 2 sub-article (1) letter d.
- (2) Production Operation IUP exclusively for processing and/or refining as referred to in sub-article (1) may comprised of:
- a. Production Operation IUP exclusively for processing and/or refining Metallic mineral;
  - b. Production Operation IUP exclusively for processing non-metallic mineral;
  - c. Production Operation IUP exclusively for processing rocks; and
  - d. Production Operation IUP exclusively for processing coal.
- (3) A company in the form of an individual may only own:

- a. Production Operation IUP exclusively for processing non-metallic mineral; and
- b. Production Operation IUP exclusively for processing rocks.

### **Article 32**

**(1)** Production Operation IUP exclusively for processing and/or refining as referred to in Article 31 is given to a company by:

a. The Minister, if:

- 1. mine commodities for processing and/or refining obtainable from :
  - a) the supplier of imported mine commodities for processing and/or refining into industrial raw materials;
  - b) the holder of Production Operation IUPK;
  - c) the holder of Production Operation IUP issued by the Minister in compliance with the provision of the laws and regulations; and/or
  - d) the holder of Production Operation IUP whose WIUP is at another province;
- 2. the location of processing and/or refining activities is in cross province.
- 3. the capital comes from foreign capital investment.

b. the governor if:

- 1. mine commodities for processing and/or refining are obtainable from:
  - a) the holder of Production Operation IUP issued by the governor in compliance with the provision of the laws and regulations; and/or
  - b) the holder of Production Operation IUP whose WIUP is in another regency/city in 1 (one) province.
- 2. the location of processing and/or refining activities is in cross regency/city in 1 (one) province.

c. the regent/mayor, if:

1. mine commodities for processing and/or refining are obtainable from the holder of Production Operation IUP issued by the regent/mayor in compliance with the provision of the laws and regulations; and/or
2. the location of the Processing and/or Refining activities is in 1 (one) regency/city.

### **Article 33**

- (1) The holder of Production Operation IUP exclusively for processing and/or refining issued by the Minister apart from processing and/or refining mine commodities as referred to in article 32 letter a may accept mine commodities for processing and/or refining obtainable from the holder of:
  - a. Production Operation IUP whose WIUP is located:
    1. in 1 (one) regency/city whose location is the same as the location of processing and/or refining activities as long as:
      - a) there is no Production Operation IUP exclusively for processing and refining issued by the regent/mayor concerned; or
      - b) the production capacity of the holder of Production Operation IUP exclusively for processing and/or refining issued by the regent/mayor cannot accommodate to carry out processing and/or refining mine commodities available at the regency/ local city.
    2. in a different regency/city with processing and/or refining activities in 1 (one) province as long as:
      - a) there is no Production Operation IUP exclusively for processing and/or refining issued by the regent/mayor and/or governor; or
      - b) the production capacity of the holder of Production Operation IUP exclusively for processing and/or refining issued by the regent/mayor and/or governor cannot accommodate to carry out processing and/or refining of mine commodities available at the

regency/city and/or the local province.

3. in cross regency/city in 1 (one) province as long as:

- a) there is no Production Operation IUP exclusively for processing and/or refining issued by the governor; or
- b) the production capacity of the holder of Production Operation IUP exclusively for processing and/or refining issued by the regent/mayor and/or the governor cannot accommodate to carry out processing and/or refining of mine commodities available at the regency/city and or the local province.

b. IPR;

c. temporary license to carry out transportation and sales;

d. Production Operation IUP for sales;

e. Production Operation IUP exclusively for transportation and sales issued by the Minister; and/or

f. other Production Operation IUP exclusively for processing and/or refining issued by the Minister, governor or regent/mayor whose product has not met the minimum limitation of processing and/or refining in compliance with the provision of the laws and regulations.

(2) The holder of Production Operation IUP exclusively for processing and/or refining issued by the governor apart from processing and/or refining mine commodities as referred to in Article 32 letter b may receive mine commodities for processing and/or refining obtainable from:

a. Production Operation IUP whose WIUP is located:

1. in 1 (one) regency whose location is the same as that of processing and/or refining activities as long as

a) there is no Production Operation IUP exclusively for

processing and/or refining issued by the regent/mayor concerned; or

- b. the production capacity of the holder of Production Operation IUP exclusively for processing and/or refining issued by the regent/mayor cannot accommodate to carry out processing and/or refining of mine commodities available at the regency/local city;

2. in a regency/city different from the activities of processing and/or refining in 1 (one province as long as:

- a) there is no Production Operation IUP exclusively for processing and/or refining issued by the regent/mayor, and/or
- b) the production capacity of the holder of Production Operation IUP exclusively for processing and/or refining issued by the regent/mayor cannot accommodate to carry out processing and/or refining mine commodities available at the regency/local city.

b. IPR;

c. temporary license to carry out transportation and sales;

d. Production Operation IUP for sales;

e. Production Operation IUP exclusively for transportation and sales issued by the governor; and or

- g. other Production Operation IUP exclusively for processing and/or refining

- h. issued by the governor or regent/mayor which has not met the minimum limitation of processing and/or refining in compliance with the provision of the Laws and Regulations.

(3) The holder of Production Operation IUP exclusively for processing and refining issued by the regent/mayor apart from processing and/or refining

mine commodities as referred to in Article 32 letter c may receive mine commodities for processing and/or refining obtainable from the holder of:

- a. IPR;
- b. temporary license to carry out transportation and sales;
- c. Production Operation IUP for sales;
- d. Production Operation IUP exclusively for transportation and sales issued by the regent/mayor; and/or
- e. other Production Operation IUP exclusively for processing and/or refining issued by the regent/mayor which does not yet meet the minimum limitation of processing and/or refining in compliance with the provision of the laws and regulations.

## **Second Part**

### **Requirements and Procedures of Applying for the Principle License of Processing and/or Refining**

#### **Article 34**

- (1) To obtain Production Operation IUP exclusively for processing and/or refining, the company should before hand possess the Principle license of processing and/or refining in the framework of preparing the documents of feasibility study, compiling of cooperation agreement and for processing other licenses.
- (2) To obtain the Principle License of processing and/or refining as referred to in sub-article (1) the company should submit an application for a Principle License of processing and/or refining to the Minister, governor or regent/mayor in accordance with his/her competence.
- (3) The application for the Principle License of processing and/or refining as referred to in sub-article (2) should meet:

- a. the administrative;
- b. technical;
- c. environmental; and
- d. financial requirements.

### **Article 35**

(1) The administrative requirements as referred to in Article 34 letter a for:

- a. Business Entity, at least encompasses:
  1. application;
  - 2, profile of Business Entity;
  3. notary deed of establishment of Business Entity engaged in mineral or coal mining business exclusively in mineral or coal processing and/or refining including its amendment deed legalized by a competent official;
  4. Taxpayer's ID Number (NPWP);
  5. composition of the management and list of shareholders;
  6. reference letter of domicile;
  7. a planned supply of mine commodities of mineral or coal for processing and/or refining are obtainable from:
    - a) supplier of imported mine commodities of mineral or coal to be processed and/or refined into industrial raw materials;
    - b) the holder of Production Operation IUP;
    - c) the holder of Production Operation IUP whose WIUP is located in:
      - 1) 1 (one) regency/city;
      - 2) cross regency/city in 1 (one) province;
      - 3) another regency/city in 1 (one) province;
      - 4) cross province; and/or
      - 5) another province.

- d) the holder of IPR;
- e) the holder of temporary license to carry out transportation and sales;
- f) the holder of Production Operation IUP for sales;
- g) the holder of Production Operation IUP exclusively for transportation and sales; and/or
- h) other holders of Production Operation IUP exclusively for processing and/or refining issued by the Minister, governor or regent/mayor whose product has not yet met the minimum limitation of processing and/or refining in compliance with the provision of the laws and regulations.

8. a memorandum of understanding with the supplier of mineral or coal for processing and/or refining as referred to in figure 7.

b. cooperatives at least encompasses:

- 1. application;
- 2. profile of cooperatives;
- 3. notary deed of establishment of cooperatives engaged in mineral or coal mining business exclusively in processing and/or refining mineral or coal including its deed of amendment legalized by the competent official.
- 4. Taxpayer's ID Number (NPWP);
- 5. composition of the board;
- 6. reference letter of domicile; and
- 7 planned supply of mine commodities of mineral or coal for processing are obtainable from the holder of:
  - a) Production Operation IUP;
  - b) Production Operation IUP whose WIUP is located in:
    - 1) 1 (one) regency/city;
    - 2) Cross regency/city in 1 (one) province;

- 3) another regency/city in 1 (one) province;
- 4) cross province; and/or
- 5) another province.

- c) IPR;
- d) Temporary license to carry out transportation and sales;
- e) Production Operation IUP for sales;
- f) Production Operation IUP exclusively for transportation and sales; and/or
- g) other Production Operation IUP exclusively for processing and/or refining issued by the Minister, governor or regent/mayor whose product has not yet met the minimum limitation of processing and/or refining in compliance with the provision of the laws and regulations.

8. a memorandum of understanding with supplier of mineral or coal for processing and/or refining as referred to in figure 7.

c. an individual person at least encompasses:

1. application;
- 2.ID Card (KTP);
- 3.Taxpayer's ID Number (NPWP);
- 4 .reference letter of domicile; and
5. planned supply of mine commodities of mineral or coal for processing and/or refining is obtainable from the holder of:

a).Production Operation IUP whose WIUP is located in:

- 1) 1 (one) regency/city;
- 2) cross regency/city in 1 (one) province;
- 3) another regency/city in 1 (one) province;
- 4) cross province; and/or

5) another province;

b) IPR;

c) Temporary license to carry out transportation and sales;

d) Production Operation for sales;

e) Production Operation exclusively for transportation and sales;  
and/or

f) other Production Operation IUP exclusively for processing  
and/or refining issued by the Minister, governor or regent/mayor  
whose product has not yet met the minimum limitation of  
processing and/or refining in compliance with the provision of  
the laws and regulations.

6. a memorandum of understanding with supplier of mineral or coal for  
processing and/or refining as referred to in figure 5.

d. a firm and limited partnership company at least encompass:

1. an application;

2. company profile;

3. notary deed of establishment of the company engaged in the business of  
mineral or coal mining exclusively in processing and/or refining of mineral or  
coal including its deed of amendment legalized by the competent official;

4. Taxpayer's ID Number (NPWP);

5. composition of the board and list of shareholders;

6. reference letter of domicile; and

7. planned supply of mine commodities of mineral or coal for processing and/or  
refining is obtainable from the holder of:

a) Production Operation IUP whose WIUP is located in:

1) 1 (one) regency/city;

2) cross regency/city in 1 (one) province;

- 3) other regency/city in 1 (one) province;
- 4) cross province; and/or
- 5) another province.

- b). IPR;
- c) temporary license to carry out transportation and sales;
- d) Production Operation IUP for sales;
- e) Production Operation IUP exclusively for transportation and sales; and/or
- f) other Production Operation IUP exclusively for processing and/or refining issued by the Minister, governor or regent/mayor whose product has not yet met the minimum imitation of processing and/or refining in compliance with the provision of the laws and regulations.

8. a memorandum of understanding with supplier of mineral or coal for processing and/or refining as referred to in figure 7.

(3) The Memorandum of understanding as referred to in sub-article (1) letter a, figure 5, letter b, figure 8, letter c, figure 6 and letter d figure 8 contains materials i.a. :

- a. certificate of weight;
- b. type, quality and the origin of mine commodities of mineral and coal for processing and/or refining;
- c. validity period of the memorandum of understanding; and
- d. the purchase of mine commodities of mineral and coal based on the standard price of mineral and coal in compliance with the provision of the laws and regulations.

### **Article 36**

Technical requirements as referred to in Article 34 sub-article (3) letter b, encompass:

- a. location plan for the development of supporting means and infrastructures for production operation activities exclusively for processing and/or refining including

- location map: and
- b. involving experts in mining or metallurgy with at least 3 (three) years experience;

### **Article 37**

Environmental requirements as referred to in Article 34 sub-article (3) letter c encompass i.a. statement of readiness to abide by the provision of the laws and regulations in environmental protection and management.

### **Article 38**

Financial requirements as referred to in Article 34 sub-article (3) letter d, encompass:

- a. financial report of the latest year audited by a public accountant except for a new company to submit the latest financial report;
- b. a statement of readiness to abide by the provision of the laws and regulations connected with the standard price of selling mineral and coal; and
- c. a reference from a Government and/or private national bank.

### **Article 39**

(1) In the case the application for a Principle License for processing and/or refining as referred to in Article 34 up to Article 38 is already complete, the Minister, governor or regent/mayor in accordance with his/her competence carries out inspection and evaluation.

(2) The governor or regent/mayor in accordance with his/her competence assigns the provincial technical service or the regency/city technical service in charge of mineral and coal to carry out inspection and evaluation as referred to in sub-article (1).

(3) Based on the result of inspection and evaluation as referred to in sub-article (1) and sub-article (2), the Minister, governor or regent/mayor in accordance with his/her competence

makes the decision whether to grant or refuse the application for a Principle License of processing and/or refining.

(4) The granting or refusal of the application for a Principle License of processing and/or refining as referred to in sub-article (3) is determined in 14 (fourteen) working days at the latest, as of the date of receipt of the application complete and correct.

(5) In the case the application for a Principle License of processing and or refining is refused, the refusal should be delivered in writing to the applicant of the Principle License of processing and/or refining including the reason for refusal.

#### **Article 40**

**(1)** The Principle License of processing and/or refining as referred to in Article 39 at least contains:

- a. name of Business Entity, cooperatives, or individuals;
- b. address of Business Entity, cooperatives, or individuals;
- c. composition of the board of Business Entity, cooperatives, or individuals;
- d. composition of shares for Business Entity or share ownership for cooperatives or individuals;
- e. name of shareholder for Business Entity;
- f. the type of business given for processing and/or refining of mineral or coal;
- g. plan of supplying mine commodities obtainable from import, another province, another regency/city and/or in 1 (one) regency/city;
- h. validity period of Principle License of processing and/or refining; and
- i. right and obligation of the holder of Principle License of processing and/or refining.

(3) The provision concerning the format of decision on giving the Principle License of processing and/or refining as referred to in sub-article (1) is included in Appendix IV which constitutes an inseparable part of this Ministerial Regulation.

## Article 41

(1) Every holder of Principle License of processing and/or refining should:

- a. process the license of location for the development of processing and/or refining installation facilities and a special port if required;
- b. compile environmental documents in compliance with the provision of the laws and regulations in environmental protection and management;
- c. compile the documents of cooperation for processing and/or refining mineral or coal with:
  1. supplier of imported mine commodities of mineral or coal to be processed and/or refined into industrial raw material;
  2. the holder of Production operation IUP;
  3. the holder of Production Operation IUPK;
  4. the holder of IPR;
  5. the holder of temporary license to carry out transportation and sales;
  6. the holder of Production Operation IUP for sales; and/or
  7. the holder of Production Operation IUP exclusively for transportation and sales; and/or
  8. other holders of Production Operation IUP exclusively for processing and/or refining whose product has not yet met the minimum limitation of processing and/or refining in compliance with the provision of the laws and regulations,

which had obtained recommendation from the Minister, governor or regent/mayor in accordance with his/her competence.

- d. compile the documents of cooperation in Processing and/or Refining with domestic and/or oversea buyers.
- e. prepare the plan to construct processing and/or refining installation facilities;

- f. process the related licensing to support the realization of activities;
- g. compile the feasibility study of production operation exclusively for processing and/or refining; and
- h. compile the documents of cooperation with related parties if residue and/or by-product of processing and/or refining are to be used as raw material for domestic industries.

(2) Every holder of Principle License of processing and/or refining as referred to in sub-article (1) should:

- a. compile and submit the RKAB on the realization of activities as long as the Principle License of processing and/or refining is valid;
- b. prioritize the use of local workforce, goods and services; and
- c. submit a report on activities encompassing three monthly and annual report to the Minister, governor or regent/mayor in accordance with his/her competence.

#### **Article 42**

The Principle License of processing and/or refining already given to the company is prohibited to be transferred to another party.

#### **Third Part**

#### **Validity Period of Principle License of Processing And/or Refining**

#### **Article 43**

- (1) The Principle License of Processing and/or refining is given for a period of 3 (three) years at the longest and may be extended once for a period of not more than 1 (one) year.
- (2) The application for extension of Principle License of processing and/or refining as referred to in sub-article (1) may be submitted if:

- a. the process for obtaining a location license for the development of processing and/or refining installation facilities and special port if required has not been accomplished;
- b. the compiling of environmental documents in compliance with the provision of the laws and regulations in environmental protection and management has not been accomplished;
- c. the compiling of feasibility study on the activities of Production Operation IUP exclusively for processing and/or refining; and/or
- d. the related licensing has not been accomplished.

(3) The application for extension of Principle License of processing and/or refining as referred to in sub-article (1) should be submitted in 3 (three) months at the latest before the Principle License of Processing and/or refining terminates.

#### **Fourth Part**

### **Requirements and Procedures of Applying for Production Operation IUP Exclusively for Processing and/or Refining**

#### **Article 44**

- (1) Production Operation IUP exclusively for processing and/or refining is given to Business Entity, cooperatives, and individuals as an upgrading from Principle License of processing and/or refining.
- (2) The holder of Principle License of processing and/or refining that had completed the obligation as referred to in Article 41 is assured to obtain the Production Operation IUP exclusively for processing and refining as an upgrading by submitting an application for a Production Operation IUP exclusively for processing and/or refining to the Minister, governor or regent/mayor in accordance with his/her competence.
- (3) The application for Production Operation IUP exclusively for processing and/or refining as referred to in sub-article (2) should meet the:

- a. administrative;
- b. technical;
- c. Environmental; and financial requirements.

#### **Article 45**

The administrative requirements as referred to in Article 44 sub-article (3) letter a, is for:

- a. business entity, as referred to in Article 35 sub-article (1) letter a figure 1 up to figure 7;
- b. cooperatives, as referred to in Article 35 sub-article (1) letter b figure 1 up to figure 7;
- c. an individual person, s referred to in article 35 sub-article (1) letter c figure 1 up to figure 5;
- d. a firm and a limited partnership company, as referred to in Article 35 sub-article (1) letter d figure 1 up to figure 7.

#### **Article 46**

(1) Technical requirements as referred to in Article 44 sub-article (3) letter b, encompass:

- a. RKAB;
- b. construction plan and development of supporting means and infrastructures of production operation activities exclusively for processing and/or refining;
- c. involving experts in Mining and metallurgy with at least 3 (three) years experience;
- d. approved documents of feasibility study; and
- e. agreement of cooperation in the framework of Processing and/or Refining mine commodities of mineral or coal with:
  - 1. supplier of imported mine commodities of mineral or coal to be processed and/or refined into industrial raw materials;
  - 2. the holder of Production Operation IUP;
  - 3. the holder of Production Operation IUPK;
  - 4. the holder of IPR;
  - 5. the holder of temporary license to carry out transportation and sales;

6. the holder of Production Operation IUP for sales;
7. the holder of Production Operation IUP exclusively for transportation and sales; and/or
8. other Production Operation IUP holders exclusively for processing and/or refining issued by the Minister, governor or regent/mayor whose product has not yet met the minimum limitation of Processing and/or Refining in compliance with the provision of the laws and regulations,

which had obtained recommendation from the Minister, governor or regent/mayor in accordance with his/her competence.

f sale and purchase agreement with domestic and/or oversea buyers.

(2) Besides the technical requirements as referred to in sub-article (1) for mine commodities obtainable from:

- a. Production Operation IUP and/or Production Operation IUPK should be completed with:
  1. a report on the result of the final exploration activities containing data concerning resources or reserves of the holder of Production Operation IUP and/or Production Operation IUPK;
  2. production plan per year of the holder of Production Operation IUP and/or Production Operation IUPK in compliance with the approved RKAB;
  3. approval of RKAB in the past 2 (two) years including data of plan and realization of production and Sales;
  4. photocopies of approved feasibility study and environmental license completed with information concerning reserves and long-term production plan in accordance with mine life legalized by a competent agency.

5. proof of paid off dead rent of the past 5 (five) years or since the issue of Production Operation IUP and/or Production Operation IUPK; and
  6. proof of paid off production due for metallic mineral and coal or proof of paid off regional tax of regency/city for non-metallic mineral and rocks in the past 5 (five) years or since the issue of Production Operation IUP or Production Operation IUPK.
- b. IPR should be completed with:
1. production capacity per year;
  2. proof of paid off dead rent of the past 5 (five) years or since the issue of IPR; and
  3. proof of paid off production due for metallic mineral and coal or proof of paid off regional tax of regency/city for non-metallic mineral or rocks in the past 5 (five) years or since the issue of IPR.
- c. the temporary license to carry out transportation and sales should be completed with:
1. proof of paid off dead rent since the issue of Production Operation IUP and/or Production Operation IUPK; and
  2. proof of paid off production due for metallic mineral and coal or proof of paid off regional tax of regency/city for non-metallic mineral and rocks.
- d. Production Operation IUP for sales should be completed with proof of paid off production due for metallic mineral and coal or proof of paid off regional tax of regency/city for non-metallic mineral and rocks.
- e. Production Operation IUP exclusively for transportation and sales should be completed with data concerning resources or reserves of the holder of Production Operation IUP and/or Production Operation IUPK in cooperation with the holder of Production Operation IUP exclusively for transportation and sales concerned.

- f. other Production Operation IUP exclusively for processing and/or refining should be completed with:
  - 1. production capacity per year; and
  - 2. proof of paid off production due in the past 5 (five) years or since the issue of Production Operation IUP and/or Production Operation IUPK for associated minerals utilized.

(3) Agreement of cooperation in the framework of processing and/or refining as referred to in sub-article (1) letter e contains materials i.a:

- a. tonnage;
- b. type, quality and origin of mine commodities of mineral and coal for processing and/or refining;
- c. cooperation plan in the form of:
  - 1. activities to carry out Processing and/or Refining of mineral or coal; or
  - 2. sale and purchase of ore or mineral concentrate or coal;
- d. validity period of cooperation; and
- e. purchase price of mineral and/or coal commodities based on the standard Selling price of mineral and coal in compliance with the provision of the laws and regulations.

(4) The sale and purchase agreement as referred to in sub-article (1) letter f contains materials i.a.:

- a. tonnage;
- b. type and quality of mineral or coal already processed and/or refined;
- c. destination of sales; and
- d. validity period of agreement of cooperation.

#### **Article 47**

Environmental requirements as referred to in Article 44 sub-article (3) letter c encompass:

- a. statement of readiness to abide by the provision of the laws and regulations in

- environmental protection and management: and
- b. approval and copies of feasibility study documents approved by the competent agency as well as documents and environmental license in compliance with the provision of the laws and regulations in environmental protection and management.

#### **Article 48**

Financial requirements as referred to in Article 44 sub-article (3) letter d encompass:

- a. financial report of the final year audited by a public accountant except for a new company to submit the latest financial report;
- b. statement of readiness to abide by the provision of the laws and regulations connected with the standard selling price of mineral and coal; and
- c. reference of Government or private national bank.

#### **Article 49**

- (1) In the case the application for Production Operation IUP exclusively for processing and/or refining as referred to in Article 44 up to Article 48 is already complete, the Minister, governor or regent/mayor in accordance with his/her competence carries out inspection and evaluation.
- (2) The governor or regent/mayor in accordance with his/her competence assigns the provincial technical service or regency/city technical service in charge of mineral and coal to carry out inspection and evaluation as referred to in sub-article (1).
- (3) Based on inspection and evaluation as referred to in sub-article (1) and sub-article (2), the Minister, governor or regent/mayor in accordance with his/her competence makes the decision whether to grant or refuse the application for Production Operation IUP exclusively for processing and/or refining.

(4) The granting or refusal of Production Operation IUP exclusively for processing and/or refining as referred to in sub-article (3) is determined in 14 (fourteen) working days at the latest as of the date of receipt of the application complete and correct.

(5) In the case the application for Production Operation IUP exclusively for processing and/or refining is refused, the refusal should be delivered in writing to the applicant of Production Operation IUP exclusively for processing and/or refining including the reason for refusal.

### **Article 50**

(1) Production Operation IUP exclusively for processing and/or refining as referred to in Article 49 at least contains:

- a. name of Business Entity, cooperatives or individuals;
- b. address of Business Entity, cooperatives or individuals;
- c. composition of the board of Business Entity, cooperatives or individuals;
- d. share composition for Business Entity or capital ownership for cooperatives and individuals;
- e. name of shareholder for Business Entity;
- f. type of business given for processing and/or refining of mineral or coal;
- g. origin of mine commodities to be processed and/or refined;
- h. production capacity;
- i. validity period of Production Operation IUP exclusively for processing and/or refining;  
and
- j. right and obligation of the holder of Production Operation IUP exclusively for processing and/or refining.

(2) The provision concerning the format of decision to give the Production Operation IUP exclusively for processing and/or refining as referred to in sub-article (1) is included in Appendix V which constitutes an inseparable part of this Ministerial Regulation.

**Fifth Part**  
**Validity Period of Production Operation IUP**  
**Exclusively for Processing and/or Refining**

**Article 51**

- (1) Production Operation IUP exclusively for processing and/or refining is given for a period of 20 (twenty) years at the longest including 2 (two) years for construction and may be extended for 10 (ten) years at the longest for every extension.
- (3) The application for extension of Production Operation IUP exclusively for processing and/or refining as referred to in sub-article (1) should be submitted not sooner than in 6 (six) months and not later than 2 (two) months before Production Operation IUP exclusively for processing and/or refining terminates.

**Sixth Part**  
**Right and Obligation of the Holder**  
**of Production Operation IUP**  
**Exclusively for Processing and/or Refining**

**Article 52**

- (1) In the case the holder of Production Operation IUP exclusively for Processing and/or refining issued by the Minister, governor or regent/mayor in accordance with his/her competence is to carry out Processing and/or Refining whose mine commodities are obtainable from other than the company included in the Production Operation IUP exclusively for processing and/or refining should submit an application for the adjustment of Production Operation IUP exclusively for processing and/or refining to the Minister, governor or regent/mayor in accordance with his/her competence.

- (2) In the case the holder of Production Operation IUP exclusively for processing and/or refining issued by the Minister, governor or regent/mayor in accordance with his/her competence is to increase their capacity of processing and/or refining, should submit an application for adjustment of Production Operation IUP exclusively for processing and/or refining to the Minister, governor or regent/mayor in accordance with his/her competence.
- (3) The application for adjustment of Production Operation IUP exclusively for processing and/or refining as referred to in sub-article (1) is submitted with the following requirements:
- a. meeting the requirements and procedures as referred to in Article 35 sub-article (1) letter a figure 1 and figure 7, letter b figure 2 and figure 7, letter c figure 1 and figure 5, letter d figure 1 and figure 7, and Article 46 sub-article (1) letter e and letter f, sub-article (2), sub-article (3) and sub-article (4);
  - b. revised RKAB; and
  - c. revised feasibility study if production exceeds capacity approved in the previous feasibility study.
- (4) The application for adjustment of Production Operation IUP exclusively for processing and/or refining as referred to in sub-article (2) is submitted with the following requirements:
- a. meeting the requirements and procedures as referred to in Article 35 sub-article (1) letter b figure 1, letter c figure 1, letter d figure 1, and Article 46 sub-article (1) letter e and letter f, sub-article (2), sub-article (3) and sub-article (4);
  - b. the reason for increasing the capacity of processing and/or refining;
  - c. revised RKAB; and
  - d. feasibility study and revised environmental documents if production exceeds the approved capacity in the previous feasibility study.

### Article 53

(1) The holder of Production Operation IUP exclusively for processing and/or refining should:

- a. submit the RKAB of the running year to the Minister, governor or regent/mayor in accordance with his/her competence in 14 (fourteen) working days at the latest after the issue of Production Operation IUP exclusively for processing and/or refining;
- b. submit the RKAB of the following year to obtain approval simultaneously with the report on the realization of RKAB in 45 (forty-five) calendar days at the latest before the end of every calendar year to the Minister, governor or regent/mayor in accordance with his/her competence;
- c. submit the report on activities encompassing monthly, quarterly and annual report on production operation activities exclusively for processing and/or refining;
- d. meet the standard selling price of mineral and coal in compliance with the provision of the laws and regulations;
- e. meet the minimum limitation of processing and/or refining of mineral or coal in the framework of Sales abroad in compliance with the provision of the laws and regulations;
- f. meet the financial obligation in compliance with the provision of the laws and regulations;
- g. carry out good and proper practice of processing and/or refining technique on mine commodities referring to the already approved RKAB;
- h. prioritize in meeting domestic requirement;

- i. build processing and./or refining facilities in accordance with the technical standard or in compliance with the provision of the laws and regulations;
- j. help in the development and empowerment of the community in areas affected by the activities;
- k. prioritize the involvement of local workforce, local goods and services;
- l. abide by the provision of the laws and regulations in traffic and road transportation if using the facilities of public roads i.a. load capacity should be adjusted with the class of the road, compactness of the road, and risk of traffic accident;
- m. maximize the sale of associated product or by product in compliance with the provision of the laws and regulations;
- n. be responsible for occupational safety and health and environment caused by the Processing and/or refining business activities;
- o. allow inspection by functionaries appointed by the Minister, governor or regent/mayor in accordance with his/her competence at any time; and
- p. provide data and information required by the Minister, governor or regent/mayor in accordance with his/her competence at any time.

(2) RKAB and the report on the activities of Processing and/or refining as referred to in sub-article (1) are delivered to the Minister, governor or regent/mayor in accordance with his/her competence with carbon copies to:

- a. the Minister and governor if the Production Operation IUP exclusively for processing and/or refining is issued by the regent/mayor.
- b. the Minister and regent/mayor if the Production Operation IUP exclusively for processing and/or refining is issued by the governor; or
- c. the governor and regent/mayor if the Production Operation IUP exclusively for processing and/or refining is issued by the Minister.

(3) The Minister, governor or regent/mayor in accordance with his/her competence carries out evaluation

on RKAB and activity report as referred to in sub-article (1) in 14 (fourteen) working days at the latest as of the receipt of the report.

(3) The Minister, governor or regent/mayor in accordance with his/her competence gives his/her approval of RKAB based on the result of evaluation as referred to in sub-article (3).

### **Article 55**

(1) Every holder of Production Operation IUP exclusively for processing and/or refining has the right to:

- a. purchase and transport mine commodities to be processed and/or refined in accordance with the document of cooperation agreement which already obtained recommendation from the Minister, governor or regent/mayor in accordance with his/her competence;
- b. transport and sell the product of mine commodities which they had processed and/or refined;
- c. to make an agreement of cooperation with another party in utilizing residue and/or by product the result of Processing and/or Refining for domestic industrial raw material;
- d. to mix mine commodities to meet the specification of buyers;
- e. to obtain licensing if it is in compliance with the provision of the laws and regulations; and/or;
- f. to use the facilities of transportation infrastructure and pier or port in compliance with the provision of the laws and regulations.

(2) The buying price of mine commodities of mineral or coal contained in the agreement of cooperation as referred to in sub-article (1) letter a should follow the standard selling price of mineral and coal in compliance with the provision of the laws and regulations.

## **Article 56**

The Minister, governor or regent/mayor in accordance with his/her competence facilitates, nurtures and supervises the implementation of the right and obligation of the holder of Production Operation IUP exclusively for processing and/or refining, as well as supervising the origin and quantity of mine commodities and/or processed product of processing and/or refining.

## **Article 57**

The holder of Production Operation IUP exclusively for processing and/or refining is prohibited from Processing and/or Refining mining product not obtainable from:

- a. supplier of imported mine commodities of mineral or coal to be processed and/or refined into industrial raw material;
- b. the holder of Production Operation IUPK;
- c. the holder of Production Operation IUP;
- d. the holder of IPR;
- e. the holder of temporary license to carry out transportation and sales;
- f. the holder of Production Operation IUP for sales;
- g. the holder of Production Operation IUP exclusively for transportation and sales; ad/or
- h. other holders of Production Operation IUP exclusively for processing and/or refining issued by the Minister, governor or regent/mayor whose product has not yet met the minimum limitation of processing and/or refining in compliance with the provision of the laws and regulations,

which had been registered at the Directorate General and owns the certificate of clean and clear.

## **Article 58**

- (1) The holder of Production Operation IUP exclusively for processing and/or refining is prohibited from transferring his/her IUP to another party.

- (2) The transfer of shares of the holder of Production Operation IUP exclusively for processing and/or refining can only be conducted after obtaining approval from the Minister, governor or regent/mayor in accordance with his/her competence.

## **Seventh Part**

### **Extension of Production Operation IUP Exclusively for Processing and/or Refining**

#### **Article 59**

- (1) The application for extension of Production Operation IUP exclusively for processing and/or refining as referred to in Article 51 is submitted to the Minister, governor or regent/mayor in accordance with his/her competence.
- (2) The application for extension as referred to in sub-article (1) should be attached with:
- a. realization of RKAB in the past 2 (two) years;
  - b. a report on the activities of processing and/or refining in the past 2 (two) years.
  - c. an agreement of cooperation with:
    1. supplier of imported mine commodities of mineral or coal to be processed and/or refined into industrial raw material;
    2. the holder of Production Operation IUP;
    3. the holder of production Operation IUPK;
    4. the holder of IPR;
    5. the holder of temporary license to carry out transportation and sales;
    6. the holder of Production Operation IUP for sales;

7. the holder of Production Operation IUP exclusively for transportation and sales; and/or
8. other holders of Production Operation IUP exclusively for processing and/or refining issued by the Minister, governor or regent/mayor whose product has not yet met the minimum limitation of processing and/or refining in compliance with the laws and regulations,

which had obtained recommendation from the Minister, governor or regent/mayor in accordance with his/her competence.

- d. copies of Production Operation IUP, Production Operation IUPK, IPR, temporary license to carry out transportation and sales, Production Operation IUP exclusively for transportation and sales, and/or other Production Operation IUP exclusively for processing and refining had already been registered at the Directorate General and own the certificate of clean and clear.
- e. an agreement of cooperation with domestic and oversea buyers.
- f. technical requirements as referred to in Article 46; and
- g. financial report during the past 2 (two) years audited by a public accountant.

(3) A report on the activities of processing and/or refining as referred to in Sub-article (2) letter b at least to contain:

- a. the flow of processing and/or refining from supplier up to end users;  
and
- b. invoice of purchase and invoice of Sales of mineral or coal.

(4) The Minister, governor or regent/mayor in accordance with his/her competence evaluates the application for extension as referred to in sub-article (1) and the company's performance while holding Production Operation IUP exclusively for processing and/or refining.

- (5) The granting or refusal of application for extension of Production Operation IUP exclusively for processing and/or refining as referred to in sub-article (1) is determined in 14 (fourteen) working days at the latest, as of the date of receipt of the application complete and correct.
- (6) In the case the application for extension of Production Operation IUP exclusively for processing and/or refining is refused, the Minister, governor or regent/mayor in accordance with his/her competence notifies the applicant for extension of Production Operation IUP exclusively for processing and/or refining including the reason for refusal.

## **CHAPTER VI**

### **ADMINISTRATIVE SANCTION**

#### **Article 60**

- (1) The holder of temporary license to carry out transportation and sales who violates the provision as referred to in Article 6 sub-article (1) letter a, letter b, or letter c, or sub-article (3) is imposed with administrative sanction.
- (2) The holder of Production Operation IUP for sales who violates the provision as referred to in Article 12 sub-article (1) letter a, letter b or letter c, or sub-article (3) is imposed with administrative sanction.
- (3) The holder of Production Operation IUP exclusively for transportation And sales who violates the provision as referred to in Article 22 sub-article (1) or sub-article (2), Article 24 sub-article (1), sub-article (2), or sub-article (3), Article 26 sub-article (1) or sub-article (2), Article 27 sub-article (1) letter a, letter b, letter c, letter d, letter e, letter f, letter g, letter h, letter i, letter j, letter k, letter l, letter m, or letter n, or sub-

article (2), Article 28 or Article 29 sub-article (1) or sub-article (2) is imposed with administrative sanction.

(4) The holder of Principle License of processing and/or refining who violates the provision as referred to in article 41 sub-article (2) or Article 42 is imposed with administrative sanction.

(5) The holder of Production Operation IUP exclusively for processing and/or refining who violates the provision as referred to in Article 52 sub-article (1), or sub-article (2), Article 53, Article 54 sub-article (1) letter a, letter b, letter c, letter d, letter e, letter f, letter g, letter h, letter i, letter j, letter k, letter l, letter m, letter n, letter o, or letter p, or sub-article (2), Article 55 sub-article (2), Article 57, Article 58 sub-article (1) or sub-article (2) is imposed with administrative sanction.

### **Article 61**

(1) The administrative sanction as referred to in Article 60 is in the form of:

- a. reprimand;
- b. temporary halting of activities; or
- c. revocation of temporary license to carry out transportation and sales, Production Operation IUP for sales, Production Operation IUP exclusively for transportation and sales, Principle License of processing and/or refining or Production Operation IUP exclusively for processing and refining.

(2) The administrative sanction as referred to in sub-article (1) is given by the Minister, governor or regent/mayor in accordance with his/her competence.

## **Article 62**

The reprimand as referred to in Article 61 sub-article (1) letter a is given 3 (three) times at the most with a time span of each reprimand 1 (one) month at the longest.

## **Article 63**

- (1) In the case the holder of a temporary license to carry out transportation and sales, production Operation IUP for sales, Production Operation IUP exclusively for transportation and sales, Principle License for processing and/or refining, or Production Operation IUP exclusively for processing and/or refining who receives the sanction of reprimand, after the period of reprimand has ended as referred to in Article 62, has not realized his/her obligation, is imposed with administrative sanction in the form of temporary halting of activities as referred to in Article 61 sub-article (1) letter b.
- (2) The administrative sanction of temporary halting of activities as referred to in sub-article (1) is imposed within a time span of 2 (two) months at the longest.

## **Article 64**

The administrative sanction of revocation of temporary license to carry out transportation and sales, Production Operation IUP for sales, Production Operation IUP exclusively for transportation and sales, Principle License for processing and/or refining, or Production Operation IUP exclusively for processing and/or refining as referred to in Article 61 sub-article (1) letter c, is imposed on the holder of temporary license to carry out transportation and sales, Production Operation IUP for sales, Production Operation IUP exclusively for transportation and sales, Principle License of processing and/or refining, or Production Operation IUP exclusively for processing and/or refining who does not realize his/her obligation until the period of imposition of temporary halting ends as referred to in Article 63 sub-article (2).

**CHAPTER VII**  
**TRANSITIONAL PROVISION**

**Article 65**

At the time this Ministerial Regulation becomes effective:

- a. the special license in mining of mineral and coal as referred to in Article 2 issued before this Ministerial Regulation becomes effective is valid until its period ends and should be adjusted in 2 (two) years at the latest since this Ministerial Regulation becomes effective.
  
- b. the holder of Contract of Work and PKP2B who had made an agreement of cooperation for Transportation and Sales as well as Processing and/or Refining with the holder of Production Operation IUP exclusively for transportation and sales as well as Production Operation IUP exclusively for processing and/or refining before this Ministerial Regulation becomes effective remains valid until its period ends and should be adjusted to the provisions in this Ministerial Regulation within 2 (two) years at the latest since this Ministerial Regulation becomes effective.
  
- c. the holder of Contract of Work and PKP2B who is to make an agreement of cooperation of Transportation and Sales as well as Processing and/or Refining with the holder of Production Operation IUP exclusively for transportation and sales as well as Production Operation IUP exclusively for processing and/or refining should follow the provisions in this Ministerial Regulation.
  
- d. the application for a special license in mineral and coal mining as referred to in Article 2 which already been received before this Ministerial Regulation becomes effective should be processed in compliance with the provisions in this Ministerial Regulation.

**CHAPTER VIII**  
**CONCLUDING PROVISION**

**Article 66**

This Ministerial Regulation becomes effective on the date of its promulgation.

In order that it may be known to all, the promulgation of this Ministerial Regulation is ordered to be published in the State Bulletin of the R.I.

Established in Jakarta  
On November 19, 2013

MINISTER OF ENERGY AND MINERAL RESOURCES

OF THE R.I.

Signed

JERO WACIK

Promulgated in Jakarta

On November 19, 2013

MINISTER OF JUSTICE AND HUMAN RIGHTS

OF THE R.I.

Signed

AMIR SYAMSUDIN

STATE BULLETIN OF THE R.I. YEAR 2013 NUMBER 1366

For copy conform

THE MINISTRY OF ENERGY AND MINERAL RESOURCES

OF THE R.I.

Head of Legal Affairs Bureau

Signed

Susyanto.

APPENDIX I

REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES OF THE R.I.

NUMBER 32 YEAR 2013

CONCERNING

THE PROCEDURES OF GIVING SPECIAL LICENSE IN MINERAL AND COAL MINING

SAMPLE OF FORMAT OF GIVING

A TEMPORARY LICENSE TO CARRY OUT TRANSPORTATION AND SALES

LETTER HEAD

THE MINISTER/GOVERNOR/REGENT/MAYOR \*)

REPUBLIC OF INDONESIA

DECREE OF THE MINISTER/GOVERNOR/REGENT/MAYOR \*)

NUMBER:

CONCERNING

TEMPORARY LICENSE TO CARRY OUT TRANSPORTATION AND SALES OF  
MINERAL...../COAL\*\*) TO PT\*\*\*)...AS HOLDER OF EXPLORATION IUP/EXPLORATION  
IUPK\*\*\*)

THE MINISTER.GOVERNOR/REGENT/MAYOR OF THE REPUBLIC OF INDONESIA,\*)

Reading : The letter of the Director of PT\*\*\*).....No.....dated.....re application for a  
a. temporary license to carry out transportation and sales of mineral...../coal\*\*);

Considering : a. that the activities of exploration or feasibility study conducted by PT\*\*\*).....at  
WIUP/WIUPK\*\*\*).....had obtained extracted mineral.../coal;  
b. that the application of PT\*\*\*)....as holder of Exploration IUP/Exploration IUPK  
that obtained extracted mineral...../coal\*\*) agreeable with the result of inspection

and evaluation, has met the requirements to be given temporary license to carry out transportation and sales of mineral..../coal\*\*);

c. that based on considerations as referred to in letter a and letter b, it is necessary to establish the Decree of the Minister/Governor/Regent/Mayor\*) concerning Temporary License to Carry Out Transportation and Sales of Mineral..../Coal\*\*) to PT\*\*\*)....as the Holder of Exploration IUP/Exploration IUPK\*\*)...;

- In view of :
1. Law No.4 Year 2009 concerning Mineral and Coal Mining (State Gazette of the RI. of 2009 No.4, State Gazette Supplement of the R.I. No.4959;
  2. Government Regulation No.23 Year 2010 concerning the Realization of Mineral and Coal Mining Business Activities (State Gazette of the R.I. of 2010 No.29, State Gazette Supplement of the R.I. No.5111) as amended with Government Regulation No.24 Year 2012 ( State Gazette of the R.I. of 2012 No.45, State Gazette Supplement of the R.I. No.5282);
  3. Government Regulation No.55 Year 2010 concerning Nurturing and Supervision of Mineral and Coal Mining Business Management (State Gazette of the R.I. of 2010 No.85, State Gazette Supplement of the R.I. No.5142);
  4. Regulation of the Minister of Energy and Mineral Resources No.34 Year 2009 concerning Prioritizing the Supply of Mineral and Coal for Domestic Requirement (State Bulletin of the R.I. of 2009 No.546);
  5. Regulation of the Minister of Energy and Mineral Resources No.17 Year 2010 concerning the procedures of Determining the Standard Price of Mineral and Coal (State Bulletin of the R.I. of 2010 No. 463);

6. Regulation of the Minister of Energy and Mineral Resources concerning the Procedures of Giving Mining Business License of Production Operation Exclusively in Mineral and Coal Mining;
7. other related laws and regulations;

Observing : The official report on the result of inspection and evaluation...

**HAS DECIDED**

To establish: THE DECREE OF THE MINISTER/GOVERNOR/REGENT/MAYOR\*) CONCERNING A TEMPORARY LICENSE TO CARRY OUT TRANSPORTATION AND SALES OF MINERAL.../COAL\*\*) TO PT\*\*\*) AS THE HOLDER OF EXPLORATION IUP/EXPLORATION IUPK\*\*)......

FIRST : To give a temporary license to carry out transportation and sales of mineral...../coal\*\*), to:

- a. Name : PT\*\*\*)...
- b. Address/Phone Number : .....
- c. Taxpayer's ID Number : .....
- d. Exploration IUP : exploration activity or feasibility study \*\*)
- e. Commodity : Mineral.../Coal\*\*)
- f. Tonnage : ...
- g. Sales destination : in the country
- h. Location : WIUP/WIUPK\*\*)

SECOND : The holder of temporary license to carry out transportation and sales of mineral.../coal\*\*) has the right to carry out transportation and sales of mineral.../coal extracted from the location of mineral.../coal piling up to the point of delivery at the port or end users in 1 (one) island either that in 1(one) regency/city area in 1 (one) province, or in cross provincial area in compliance with the provision of the laws and regulations.

THIRD : The holder of temporary license to carry out transportation and sales of mineral.../coal\*\*) should:

- a. realize the transportation and sales of extracted mineral.../coal\*\*) in compliance with the provision of the laws and regulations;
- b. pay production due on metallic mineral.../coal\*\*) or regional tax of regency/city on extracted non-metallic mineral.../coal\*\*) whose amount is in compliance with the provision of the laws and regulations; and
- c. submit a report on the result of sales of extracted mineral.../coal\*\*) to the Director General/Governor/Regent/Mayor\*).

FOURTH : The holder of temporary license to carry out transportation and sales of mineral.../coal\*\*) is prohibited from transporting and selling extracted mineral.../coal\*\*) out of Indonesia in compliance with the provision of the laws and regulations.

FIFTH : This temporary license to carry out transportation and sales of mineral or coal\*\*) is only given once and cannot be extended, with a time span in accordance with the plan for transportation and sales.

SIXTH : This temporary license to carry out transportation and sales of mineral.../coal\*\*) can be stopped temporarily or revoked, if the holder of temporary license to carry out transportation and sales of mineral.../coal\*\*) does not fulfill the obligation and prohibition in this Decree of the Minister/Governor/Regent/Mayor\*) and the provision of the laws and regulations.

SEVENTH : This Decree of the Minister/Governor/Regent/Mayor becomes effective on the date of its establishment.

Established in .....

on.....

Official who issues the license,\*).

Name of official

Copies:

1. The Minister of Energy and Mineral Resources
2. The Minister of Finance
3. The Minister of Transportation
4. The Minister of Trade
5. The Chief of Police of the R.I.
6. The Secretary General of the Ministry of Energy and Mineral Resources
7. The Inspector General of the Ministry of energy and Mineral Resources
8. The Director General of Customs and Excise, Ministry of Finance
9. The Director General of Sea Transportation, Ministry of Transportation
10. The Director General of Foreign Trade, Ministry of Trade
11. The Director General of Domestic Trade, Ministry of Trade
12. Governor....
13. Regent.....
14. The Head of Mining and Energy Service of ..... Province
15. The Head of Mining and Energy Service of..... Regency

\*) Adjust it with the competence of the Official who gives the license

\*\*) Use it in accordance with necessity

\*\*\*) Adjust it with the type of company

THE MINISTER OF ENERGY AND MINERAL RESOURCES

OF THE R.I.

Signed

JERO WACIK

For copy conform

THE MINISTRY OF ENERGY AND MINERAL RESOURCES

Head of Legal Affairs Bureau

Signed  
Susyanto

APPENDIX II

REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES OF THE R.I.  
NUMBER 32 YEAR 2013  
CONCERNING  
THE PROCEDURES OF GIVING SPECIAL LICENSE IN MINERAL AND COAL MINING

SAMPLE OF FORMAT OF GIVING  
A MINING BUSINESS LICENSE OF PRODUCTION OPERATION FOR SALES

LETTER HEAD  
THE MINISTER/GOVERNOR/REGENT/MAYOR \*)  
REPUBLIC OF INDONESIA

DECREE OF THE MINISTER/GOVERNOR/REGENT/MAYOR \*)

NUMBER:

CONCERNING

MINING BUSINESS LICENSE OF PRODUCTION OPERATION FOR THE SALES OF  
MINERAL.../COAL\*\*) TO PT.....

THE MINISTER/GOVERNOR/REGENT/MAYOR OF THE R.I.

Reading : The letter of the Director of PT....Number.....date Re. application for  
Production Operation IUP for the sales of mineral.../coal\*\*);

Considering : a. that PT.....is a business entity not engaged in the business of mining it turned out that  
in carrying out its activities had extracted mineral.../coal\*\*);

- b. that the application of PT.....which extracted mineral.../coal\*\*) agreeable with the result of inspection and evaluation , has met the requirements to be given Mining Business License of Production Operation for the sale of mineral.../coal\*\*);
- c. that based on considerations as referred to in letter a and letter b, it is necessary to establish the Decree of the Minister/Governor/Regent/Mayor \*) concerning Mining Business License of Production Operation for the Sale of Mineral.../coal to PT;

- In view of :
- 1. Law No.4 Year 2009 concerning Mineral and Coal Mining (State Gazette of the R.I. of 2009 No.4, State Gazette Supplement of the R.I. No.4959);
  - 2. Government Regulation No.23 Year 2010 concerning the Realization of Mineral and Coal Mining Business Activities (State Gazette of the R.I. of 2010 No.29, State Gazette Supplement of the R.I. No.5111) as amended with Government Regulation No.24 Year 2012 (State Gazette of the R.I. of 2012 No.45, State Gazette Supplement of the R.I. NO.5282);
  - 3 Regulation of the Minister of Energy and Mineral Resources No.17 Year 2010 concerning the Procedures of Determining the Standard Price of Mineral and Coal (State Bulletin of the R.I. of 2010 No.463);
  - 4 Regulation of the Minister of Energy and Mineral Resources concerning the Procedures of giving Mining Business License of Production Operation Exclusively in Mineral and Coal Mining;
  - 5. and other related Laws and regulations;

Observing : The official report on the result of inspection and evaluation....;

**HAS DECIDED**

To establish : THE DECREE OF THE MINISTER/GOVERNOR/REGENT/MAYOR\*)  
CONCERNING MINING BUSINESS LICENSE OF PRODUCTION  
OPERATION FOR THE SALE OF MINERAL..../COAL TO PT.....

FIRST : To give Production Operation IUP for the sale of mineral.../coal\*\*) to:

- a. Name : PT....
- b. Address/Phone Number : .....
- c. Taxpayer's ID Number (NPWP) : .....
- d. Commodities : Mineral..../Coal\*\*)
- e. Tonnage : .....
- f. Destination of Sale : in the country
- g. Location : .....

SECOND : The holder of Production Operation IUP for the sale of mineral..../coal\*\*) has the right to carry out transportation and sales of mineral.../coal\*\*) from the piling location of extracted mineral.../coal\*) up to the point of delivery at a port or end users in 1 (one) island either in 1 (one) regency/city area, t cross regency/city area in 1 (one) province, or at cross province in compliance with the provision of the laws and regulations.

THIRD : The holder of Production Operation IIUP for the sale of mineral..../coal\*\*) should:

- a. realize the transportation and sales of extracted mineral.../coal\*\*) in compliance with the provision of the laws and regulations; (in the case the extracted mineral or coal are to be transported or sold);
- b. pay production due for metallic mineral.../coal\*\*) or regional tax of regency/city for extracted non-metallic mineral.../rocks\*\*) whose amount is in compliance with the provision of the laws and regulations;
- c. submit a report on the result of sales or utilization of extracted mineral and/or coal to the Director General/Governor/Regent/Mayor\*) in accordance with his/her competence.

- FOURTH: : The holder of Production Operation IUP for the sale of mineral.../coal\*\*) is prohibited from:
- a. transferring his/her IUP to another party ; and
  - b. transporting and selling the extracted mineral.../coal\*\*) out of Indonesia in compliance with the provision of the laws and regulations.
- FIFTH : This Production Operation IUP for the sale of mineral.../coal\*\*) is only given once and cannot be extended, with a time span in accordance with the planned transportation and sales/utilization\*\*).
- SIXTH : This Production Operation IUP for the sale of mineral.../coal\*\*) can be Stopped temporarily or revoked, if the holder of this Production Operation IUP for the sake of mineral.../coal\*\*) does not meet the obligation and Prohibition in this Decree of the Minister/Governor/Regent/Mayor\*) and the provision of the laws and regulations.
- SEVENTH : This Decree of the Minister/Governor/Regent/Mayor\*) becomes effective on the date of its establishment'

Established in ...

On.....

Official who issues the license,\*)

Name of official

Copies:

- 1 The Minister of Energy and Mineral Resources
2. The Minister of Finance
3. The Minister of Transportation
4. The Minister of Trade

5. The Chief of Police of the R.I.
6. The Secretary General of the Ministry of Energy and Mineral Resources
7. The Inspector General of the Ministry of Energy and Mineral Resources
8. The Director General of Customs and Excise, Ministry of Finance
9. The Director General of Sea Transportation, Ministry of Transportation
10. The Director General of Foreign Trade, Ministry of Trade
11. The Director General of Domestic Trade, Ministry of Trade
12. Governor.....
13. Regent....
14. The Head of Mining and Energy Service of ..... Province
15. The Head of Mining and Energy Service of ..... Regency

\*) Adjust it with the competence of the Official who gives the license

\*\*) Use it in accordance with necessity

THE MINISTER OF ENERGY AND MINERAL RESOURCES  
OF THE R.I.  
Signed  
JERO WACIK

For copy conform

THE MINISTRY OF ENERGY AND MINERAL RESOURCES

Head of Legal Affairs Bureau

Signed

Susyanto

APPENDIX III

REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES  
OF THE R.I.

NUMBER: 32 YEAR 2013

CONCERNING

THE PROCEDURES OF GIVING SPECIAL LICENSE I MINERAL AND COAL MINING

SAMPLE OF FORMAT OF GIVING  
MINING BUSINESS LICENSE OF PRODUCTION OPERATION  
EXCLUSIVELY FOR TRANSPORTATION AND SALES

LETTER HEAD

THE MINISTER/GOVERNOR/REGENT/MAYOR OF THE R.I

DECREE OF THE MINISTER/GOVERNOR/REGENT/MAYOR\*)

NUMBER:

CONCERNING.

MINING BUSINESS LICENSE OF PRODUCTION OPERATION EXCLUSIVELY FOR  
TRANSPORTATION AND SALES OF MINERAL.../COAL\*\*)   
TO PT\*\*\*). ....

THE MINISTER/GOVERNOR/REGENT/MAYOR OF THE R.I., \*)

Reading : The letter of the Director of PT\*\*\*).....Number.....dated.....re application  
for Mining Business License of Production Operation exclusively for the  
transportation and sales of mineral.../coal\*\*)

Considering : a. that the application of PT\*\*\*).....agreeable with the result of inspection and  
evaluation, from the administrative, technical, environmental and financial  
aspects, has met the requirements to be given the Mining Business License

of Production Operation exclusively for transportation and sales of mineral.../coal\*\*);

- b. that based on consideration as referred to in letter a, it is necessary to establish the Decree of the Minister/Governor/Regent/Mayor\*) concerning Mining Business License of Production Operation exclusively for Transportation and Sales of Mineral.../Coal\*\*) to PT\*\*\*). ....;

In view of

- : 1. Law No.4 Year 2009 concerning Mineral and Coal Mining (State Gazette of the R.I. of 2009 No.4, State Gazette Supplement of the R.I. No.4959);
2. Government Regulation No.23 Year 2010 concerning the Realization of Mineral and Coal Mining Business Activities (State Gazette of the R.I. of 2010 No.29, State Gazette Supplement of the R.I. No.5111) as amended with Government Regulation No.24 Year 2012 (State Gazette of the R.I. of 2012 No.45, State Gazette Supplement of the R.I. No.5282);
3. Regulation of the Minister of Energy and Mineral Resources No.34 Year 2009 Concerning Prioritizing the Supply of Mineral and Coal for Domestic Interest (State Bulletin of the R.I. of 2009 No.546);
- 4.Regulation of the Minister of Energy and Mineral Resources No.17 Year 2010 Concerning the Determining of the Standard Price of Mineral and Coal (State Bulletin of the R.I. of 2010 No.463);
- 5.Regulation of the Minister of Energy and Mineral Resources No.07 Year 2012 concerning The Need to Increase Added Value of Mineral through Processing and Refining (State Bulletin of the R.I. of 2012 No.165) as twice amended lastly with the Regulation of the Minister of Energy and Mineral Resources No.20 Year 2013 (State Bulletin of the R.I. of 2013 No.993);
6. Regulation of the Minister of Energy and Mineral Resources concerning the

Procedures of Giving Mining Business License of Production Operatiion  
exclusively in Mineral and Coal Mining;

7. other related laws and regulations.

HAS DECIDED:

To establish : THE DECREE OF THE MINISTER/GOVERNOR/REGENT/MAYOR\*)  
CONCERNING MINING BUSINESS LICENSE OF PRODUCTION  
OPERATION EXCLUSIVELY FOR THE TRANSPORTATION AND SALES  
OF MINERAL.../COAL\*\*) TO PT\*\*\*)......

FIRST : To give Mining Business License of Production Operation Exclusively for  
The transportation and sales of mineral.../coal\*\*) to:

- a. Name : PT\*\*\*)......
- b. Address/Phone Number : .....
- c. Taxpayer's ID Number : .....
- d. Commodities : Mineral.../Coal\*\*)
- e. Tonnage : .....
- f. Origin of commodities transported : Production Operation IUP/Production  
Operation IUPK/ Production Operation  
IUP exclusively for processing and/or  
Refining/IPR/other Production  
Operation IUP exclusively for trans-  
portation and sales.
- g. Area of Transportation And Sales : In 1(one)regency/city/cross regency/city  
in 1 (one) province/cross province and/or  
cross state.\*)

SECOND

: The holder of Mining Business License of Production Operation exclusively for the transportation and sales of mineral..../coal\*\*) has the right:

: a. to purchase mine commodities from\*\*) the holder of:

1. Production Operation IUP PT\*\*\*)...;
2. Production Operation IUPK PT\*\*\*)...;
3. Production Operation IUP exclusively for processing and/or refining PT\*\*\*)...;
4. IPR on behalf of....;
5. Production Operation IUP exclusively for transportation and sales PT\*\*\*)...

which had been registered at the Directorate General and owns the certificate of clean and clear.

: b. to transport and sell mineral..../coal\*\*) he/she purchased as referred to in letter a, starting from Fee on Board Barge or Free on Board Vessel to be transported and sold up to the place of delivery in 1 (one) regency/city, town, inter-regency in a province and/ or inter-province in the country \*\*) as in accordance with the prevailing laws and regulations.

c. to make new agreements on transportation and sales based on the Special Permit of Mining Undertakings (IUPK) of Operation-Production for transportation and sales;

d. to develop and/ or use the infrastructures and facilities of transportation and sales such as facilities of stockpiles, docks, or special ports as in accordance with the prevailing laws and regulations.

THIRD

: The holder of IUPK Operation-Production for transportation and sales of .....mineral and/ or coal\*\*) shall:

a. submit RKAB in the current year to Director General/ Governor/ Regent or Mayor\*) within a maximal period of 14 (fourteen) working days after the issuance of IUPK of Production-Operation for transportation and sales;

b. to submit RKAB in the subsequent year in order to obtain an approval and also to submit a report on the implementation of RKAB in no longer than 45 (forty

five) calendar days before the end of each calendar year to the Director General/ Governor/ Regent or Mayor\*);

c. to submit reports on the activities such as monthly, quarterly, and annual reports of the operations specifically for transportation and sales;

d. to meet the benchmark price of the sales of minerals and coal in accordance with the prevailing laws and regulations;

e. to meet the minimum limit of processing and/ or refining of .....mineral and coal\*\*) for exports as in accordance with the prevailing laws and regulations;

f. to carry out the activities of technical business practices and transportation in selling mining commodities in appropriate ways based on RKAB as approved;

g. to prioritize the domestic needs;

h. to submit reports on the development of transportation and unloading facilities that will be used as in accordance with the prevailing laws and regulations;

i. to support the development and empowerment of communities in areas impacted by the activities;

j. to prioritize the use of local labor, goods, and services;

k. to comply with the laws and regulations on road traffics and transportation when using the public facilities by obeying the load capacities based on the road categories by considering the traffic congestion and risk of traffic accidents;

l. to be responsible for the safety of workplace and health of labors in light of the activities of transportation and sales;

m. to accept the inspection by officers assigned by Director General / Governor / Regent or Mayor\*) at any time; and

n. to provide data and information as required by Director General / Governor / Regent or Mayor\*) at any time.

#### FOURTH

: The holder of Special Permit of Mining Undertakings (IUPK) of Production-Operation for transportation and sales of .....mineral/coal \*\*) that will transport and sell .....mineral/coal Free on Board Barge or Free on Board Vessel located in port shall be equipped with:

a. the document of transportation and sale of .....mineral /coal \*\*) of any of the holders of Permit of Mining Undertakings (IUP) of Production-Operation, Special

Permit of Mining Undertakings (IUPK) of Production-Operation, IUPK of Production-Operation for processing and/or purification, IPR, and / or IUP of Production-Operation for transportation and sales that have been registered in the Directorate General and have obtained the clear and clean certificates;

b. the document for buyer.

FIFTH : Every holder of Special Permit of Mining Undertakings (IUPK) of Production-Operation for transportation and sales of ....mineral /coal \*\*) shall be prohibited to:

a. transport and sell mining production not from the holders of IUP of Production-Operation, IUPK of Production-Operation, IUPK of Production-Operation for processing and /or refining, IPR, and/or IUPK of Production-Operation for transportation and sales that have registered at the Directorate General of Mineral and Coal and have obtained clear and clean certificates.

b. transfer the ownership of IUP to another party.

SIXTH : Special Permit of Mining Undertakings (IUPK) of Production-Operation for transportation and sales of ....mineral/ coal \*\*) shall be effective within a maximum period of 5 (five) years since the issuance of the Decision (Decree) of Minister / Governor / Regent /Mayor \*) and extendable for a maximum period of 3 (three) years in each request for extension.

SEVENTH : In case that the holder of special Permit of Mining Undertakings (IUPK) of Production-Operation for transportation and sales of .....mineral/coal \*\*) will transport and sell mining commodities from other companies in addition to the companies as cited in the special Permit of Mining Undertakings (IUPK) of Production-Operation for transportation and sales of ....mineral/coal\*\*), there shall be a request for adjustment to IUPK of Production-Operation for transportation and sales submitted to Minister/ Governor / Regent/ Mayor \*) by attaching specific requirements.

EIGHTH : Special Permit of Mining Undertakings (IUPK) of Production-Operation for transportation and sales of ....mineral/coal \*\*) shall be subject to being temporarily suspended (terminated) or revoked in case the holder of IUPK of Production-Operation for transportation and sales of ....mineral/coal \*\*) fails to meet any obligation and prohibition as cited in this Decision (Decree) of Minister / Governor / Regent / Mayor \*) as well as in the prevailing laws and regulations.

NINTH : This Decision (Decree) of Minister / Governor / Regent / Mayor \*) shall be made effective as of the date of enactment (issuance).

Enacted in .... on the date of ...  
Government Official who grants the permit, \*)

Name of official

Carbon copies (cc):

- 1 Minister of Energy and Mineral Resources
- 2 Minister of Finance
- 3 Minister of Transportation
- 4 Minister of Trades and Commerce
5. Chief of Police of the Republic of Indonesia
6. Secretary General of the Ministry of Energy and Mineral Resources
- 7 Inspector General of the Ministry of Energy and Mineral Resources
- 8 Director General of Customs and Excise, Ministry of Finance
- 9 Director General of Sea Transportation, Ministry of Transportation
- 10 Director General of Foreign Trade, Ministry of Trades and Commerce
11. Director General of Domestic Trade, Ministry of Trades and Commerce
12. Governor of ...
13. Regent of ...
14. Head of Division of Mining and Energy of .... Province.
15. Head of Division of Mining and Energy of .... Regency

\*) based on the authority of government official who grants the permit

\*\*) Used as necessary

\*\*\*) based on the type of company

MINISTER OF ENERGY AND MINERAL RESOURCES  
THE REPUBLIC OF INDONESIA,

Signed.

Jero Wacik

Copy as of the original version

MINISTRY OF ENERGY AND MINERAL RESOURCES

Head of Bureau of Laws

(signed with hallmark)

Susyanto



APPENDIX IV

DECREE OF MINISTER OF ENERGY AND MINERAL RESOURCES  
THE REPUBLIC OF INDONESIA  
NUMBER 32 YEAR 2013N  
ABOUT  
PROCEDURE ON THE ISSUANCE OF SPECIAL PERMIT  
OF MINERAL AND COAL MINING

SAMPLE OF FORMAT ON THE ISSUANCE OF PERMIT OF PRINCIPLE OF PROCESSING AND  
REFINING

LETTER HEAD  
MINISTER/GOVERNOR/REGENT/MAYOR \*)  
THE REPUBLIC OF INDONESIA

DECREE (DECISION) OF MINISTER/ GOVERNOR/ REGENT/ MAYOR \*)  
NUMBER: .....

ABOUT  
PERMIT OF PRINCIPLE OF PROCESSING AND REFINING OF MINERAL .../ COAL\*\*)   
GRANTED TO PT .....\*\*\*)

MINISTER/ GOVERNOR/ REGENT/ MAYOR OF THE REPUBLIC OF INDONESIA,\*)

Reading : Letter of the Director of PT \*\*\*) ..... Number.... Dated. . . concerning the request for the permit of principle of processing and/or refining of ....mineral /coal \*\*);

Considering : a. that prior to the activity of operation of production, processing and/ or refining it is obligatory for PT \*\*\*) ..... to obtain a Permit of Principle of processing and/ or refining;

b. that the request of PT \*\*\*) ..... based on the inspection and evaluation of administrative, technical, environmental, and financial aspects has met the requirements for the grant of a permit of principle for processing and/or refining of ....mineral / coal \*\*);

c. that based on the consideration as cited in points a and b, it is necessary for Minister/ Governor/Regent/ Mayor \*) to make a Decree (Decision) on the

issuance of Permit of Principle of processing and/ or refining of .....mineral/coal \*\*) for PT \*\*\*).....;

In view of

: 1. Law Number 4 Year 2009 on Mineral and Coal Mining (State Gazette of the Republic of Indonesia Year 2009 No. 4, Supplement to State Gazette of the Republic of Indonesia Number 4959);

2. Government regulation (PP) No. 23 Year 2010 on the Implementation of Activities of Mineral and Coal Mining (State Gazette Year 2010 Number 29, Supplement to State Gazette of the Republic of Indonesia Number 5111) as having been revised by government regulation (PP) No. 24 Year 2012 (State Gazette of the Republic of Indonesia Year 2012 Number 45, Supplement to State Gazette of the Republic of Indonesia Number 5282);

3. Decree of Minister of Energy and Mineral Resources No. 34 Year 2009 on Priority of Mineral and Coal Supplies for domestic markets (State Gazette of the Republic of Indonesia Year 2009 No. 546);

4. Decree of Minister of Energy and Mineral Resources Number 17 Year 2010 on Procedure in Determining Benchmark Price of Minerals and Coal (State Gazette of the Republic of Indonesia Year 2010 No. 463);

5. Decree of Minister of Energy and Mineral Resources Number 07 Year 2012 on the Value-Added of Minerals from Processing and Refining (State Gazette of the Republic of Indonesia Year 2012 No. 165) as having been revised two times and the last revision is of the Decree of Minister of Energy and Mineral Resources No. 20 Year 2013 (State Gazette of the Republic of Indonesia Year 2013 No. 993);

6. Decree of Minister of Energy and Mineral Resources on Procedure of issuing Permit of Mining Undertakings (IUP) of Operation-Production in the Sector of Mineral and Coal;

7. Other related laws and regulations;

DECIDES:

TO DETERMINE

THAT DECREE (DECISION) OF MINISTER/GOVERNOR/ REGENT / MAYOR \*) ON PERMIT OF PRINCIPLE FOR PROCESSING AND / OR REFINING OF .....MINERAL/COAL \*\*) SHALL BE GRANTED TO PT\*\*\*) .....

FIRST : A Permit of Principle of Processing and/or Refining of .....mineral/ coal \*\*) shall be granted to:

a. Name	PT ***) ...
b. Name of Board of Directors / Commissioners/ Executives	(Filled-in completely)
c. Shareholders of the company by including the value /percentage of shares, names of shareholders (individual / company), citizenships/countries of shareholders	..... ..... ..... .....
d. Address / Phone Number	.....
e. Type of capital	Foreign capital investment (PMA)/ domestic capital investment (PMDN)
f. Commodity	Metal mineral/ non-metal mineral/ rock (ores)/ coal
k. Plan on location of smelter	Regency/ Municipality (town)/ inter-regency/ inter-municipality/ province**) within a regency/ town/ inter-regency/inter-town, within a province/ inter-province.
l. Mining commodities to be processed deriving from IUP of Production-Operation	

SECOND : The holder of Permit of Principle of processing and / or refining of ....mineral/coal \*\*) shall be obliged to:

- a. obtain a permit for location of development of facilities an installation of processing and/or refining and special seaport if necessary;
- b. prepare the environmental documents in accordance with the laws and regulations concerning the protection and management of environment;
- c. prepare a cooperation agreement on the processing and / or refining of ....mineral/ coal \*\*) with any of suppliers of imported commodities in addition to ....mineral/ coal \*) that will be further processed and / or refined to become industrial raw materials, also with the holders of Permit of Mining Undertakings (IUP) of Production-Operation, special Permit of Mining Undertakings (IUPK) of Production-Operation, IPR, temporary permit for transportation and sales, IUP of Production-Operation for sales, IUPK of Production-Operation for transportation and sales, and / or IUPK of Production-Operation for processing and / or refining whose production has yet to meet minimal limit of processing and refining but has already received a recommendation from Director General on behalf of Minister, Governor, or Regent / Mayor based on their respective authorities;
- d. prepare cooperation agreements on the processing and/ or refining with domestic and/ or foreign buyers;
- e. prepare a plan on the construction of facilities and installation of processing and/ or refining;

f. obtain any other related permit in support to the implementation of activities;

g. prepare a feasibility study for the activities of production and operation of processing and / or refining; and

h. prepare a cooperation agreement with any related party for the utilization of wastes of production and/ or by-product from the processing and/ or refining, of which can be further processed to become industrial raw materials for the country's domestic markets.

THIRD : The holder of Permit of Principle of processing and/ or refining of ....mineral /coal \*\*) shall be obliged to:

1. prepare and submit RKAB on the implementation of activities as long as the Permit of Principle of processing and / or refining remains valid;

2. prioritize the use of local labor, goods, and services;

3. submit reports on the activities such as quarterly and annually reports to Director General / Governor / Regent / Mayor \*).

FOURTH : Within a period of 90 (ninety) days after the RKAB as referring to the Fifth Dictum has been approved, the holder of Permit of Principle of processing and / or refining of ....mineral / coal \*\*) shall be obliged to commence the activities in the field.

FIFTH : This Permit of Principle of processing and / or refining of .....mineral /coal \*\*) shall be prohibited to be transferred to other party.

SIXTH : This Permit of Principle of processing and refining of ....mineral/ coal \*\*) shall be effective for a period of no longer than 3 (three) years since the issuance of the decision (decree) of Minister/ Governor/ Regent/ Mayor \*) and can be one-time extendable for a maximal period of 1 (one) year.

SEVENTH : The Permit of Principle of processing or refining of ....mineral/ coal \*\*) shall be subject to being suspended (terminated) or revoked in case the holder of this Permit of Principle of processing or refining of ....mineral / coal fails to meet any obligation and prohibition as cited in this Decision (Decree) of Minister/ Governor/ Regent / Mayor\*) as well as in the prevailing laws and regulations.

EIGHTH : This Decision (Decree) of Minister / Governor / Regent / Mayor \*) shall be effective as of the date of enactment (issuance).

Enacted in .... on the date of ...  
Government Official who grants the permit, \*)

Name of official

Carbon copies:

- 1 Minister of Finance
  - 2 Minister of Energy and Mineral Resources of the Republic of Indonesia
  - 3 Minister of Transportation of the Republic of Indonesia
  - 4 Minister of Trades and Commerce of the Republic of Indonesia
  5. Local Police Chief of ....Province
  - 6 Secretary General of the Ministry of Energy and Mineral Resources
  - 7 Inspector General of the Ministry of Energy and Mineral Resources
  8. Director General of Customs and Excise, Ministry of Finance
  9. Director General of Sea Transportation
  - 10 Director General of Foreign Trades
  11. Director General of Domestic Trades
  12. Director General of Mineral and Coal
  13. Governor of .....
  14. Division Head of Mines and Energy of ..... Province.
  15. Regent of ...../ Mayor of .....
  16. Division Head of Mines and Energy of .... Regency
  17. Secretary to Director General of Mineral and Coal
  18. Director of Mineral / Coal Undertakings
  19. Director of Engineering and Environment of Minerals and Coal
- \*) based on the authority of official who grants the permit  
\*\*) Used as necessary  
\*\*\*) based on the type of company

MINISTER OF ENERGY AND MINERAL RESOURCES  
THE REPUBLIC OF INDONESIA,

Signed.  
Jero Wacik

Copy as of the original version  
MINISTRY OF ENERGY AND MINERAL RESOURCES  
Head of Bureau of Laws

(signed with hallmark)

Susyanto

APPENDIX V

DECREE OF MINISTER OF ENERGY AND MINERAL RESOURCES  
THE REPUBLIC OF INDONESIA  
NUMBER 32 YEAR 2013N  
ABOUT  
PROCEDURE ON THE ISSUANCE OF SPECIAL PERMIT  
OF MINERAL AND COAL MINING

SAMPLE OF FORMAT ON THE ISSUANCE OF PERMIT OF PRINCIPLE OF PROCESSING AND  
REFINING

LETTER HEAD  
MINISTER/GOVERNOR/REGENT/MAYOR \*)  
THE REPUBLIC OF INDONESIA

DECREE (DECISION) OF MINISTER/ GOVERNOR/ REGENT/ MAYOR \*)  
NUMBER: .....

ABOUT  
PERMIT OF PRINCIPLE OF PROCESSING AND REFINING OF MINERAL .../ COAL\*\*)  
GRANTED TO PT .....\*\*\*)

MINISTER/ GOVERNOR/ REGENT/ MAYOR OF THE REPUBLIC OF INDONESIA,\*)

- Reading : Letter of the Director of PT \*\*\*) ..... number.... dated. . . concerning the request for special Permit of Mining Undertakings (IUPK) of Production-Operation of processing and refining of .....mineral/coal \*\*);
- Considering : a. that PT \*\*) \* as the holder of Permit of Principle of processing and / or refining has submitted a request for UIPK of Production-Operation of .....mineral/coal \*\*);
- b. that the request of PT \*\*\*) ..... based on the inspection and evaluation of administrative, technical, environmental, and financial aspects has met the requirements for a grant of Special Permit of Mining Undertakings (IUPK) of Production-Operation of processing and/or refining of .....mineral / coal \*\*);
- c. that based on the consideration as cited in points a and b, it is necessary for Minister/ Governor/Regent/ Mayor \*) to make a Decree (Decision) on the

issuance of special Permit of Mining Undertakings (IUPK) of Production-Operation of processing and/or refining of ....mineral / coal \*\*) for PT \*\*\*).....;

In view of

- : 1. Law Number 4 Year 2009 on Mineral and Coal Mining (State Gazette of the Republic of Indonesia Year 2009 No. 4, Supplement to State Gazette of the Republic of Indonesia Number 4959);
2. Government regulation (PP) No. 23 Year 2010 on the Implementation of Activities of Mineral and Coal Mining (State Gazette Year 2010 Number 29, Supplement to State Gazette of the Republic of Indonesia Number 5111) as having been revised by government regulation (PP) No. 24 Year 2012 (State Gazette of the Republic of Indonesia Year 2012 Number 45, Supplement to State Gazette of the Republic of Indonesia Number 5282);
3. Decree of Minister of Energy and Mineral Resources No. 34 Year 2009 on Priority of Mineral and Coal Supplies for domestic markets (State Gazette of the Republic of Indonesia Year 2009 No. 546);
4. Decree of Minister of Energy and Mineral Resources Number 17 Year 2010 on Procedure in Determining Benchmark Price of Minerals and Coal (State Gazette of the Republic of Indonesia Year 2010 No. 463);
5. Decree of Minister of Energy and Mineral Resources Number 07 Year 2012 on the Value-Added of Minerals from Processing and Refining (State Gazette of the Republic of Indonesia Year 2012 No. 165) as having been revised two times and the last revision is of the Decree of Minister of Energy and Mineral Resources No. 20 Year 2013 (State Gazette of the Republic of Indonesia Year 2013 No. 993);
6. Decree of Minister of Energy and Mineral Resources on Procedure of issuing special Permit of Mining Undertakings (IUPK) of Operation-Production in the Sector of Mineral and Coal;
7. Other related laws and regulations;

DECIDES:

TO DETERMINE

THAT DECREE (DECISION) OF MINISTER/GOVERNOR/ REGENT / MAYOR \*) ON SPECIAL PERMIT OF MINING UNDERTAKINGS (IUPK) OF PROCESSING AND / OR REFINING OF .....MINERAL/COAL \*\*) SHALL BE GRANTED TO PT\*\*\*) .....

FIRST : A special Permit of Mining Undertakings (IUPK) of Processing and/or Refining

of ....mineral/ coal \*\*) shall be granted to:

- a. Name PT \*\*\*) ...
- b. Address / Phone Number .....
- c. Taxpayer Index (NPWP) .....
- d. Commodity Mineral ...../ coal\*\*)
- e. Production capacity and final products
- f. Source of commodity Permit of Mining Undertakings (IUP) of Production-Operation/ Special Permit of Mining Undertakings (IUPK) of Production-Operation/ IPR/temporary permit of transportation and sales/ IUP of Production-Operation of Sales/IUPK of Production-Operation of Transportation and Sales/ IUPK of Production- Operation of processing and/ or refining whose production has yet to meet the minimal processing and/ or refining.

SECOND : The holder of Special Permit of Mining Undertakings (IUPK) of Production-Operation of processing and / or refining of ....mineral /coal \*\*) shall have the rights to:

a. purchasing and transporting commodities that will be processed and/ or refined (purified) as cited in the cooperation agreement after having obtained recommendation with details as follows:

- 1 Name of company : .....
- Number of Decision Letter (SK) : .....
- Address : .....
- Taxpayer Index (NPWP) : .....
- Commodity : Mineral or Coal
- Volume : .....
  
- 2 Name of company : .....
- Number of Decision Letter (SK) : .....
- Address : .....
- Taxpayer Index (NPWP) : .....
- Commodity : Mineral or Coal
- Volume : .....

b. transporting and selling mining commodities that have been processed and / or refined;

- c. making a new cooperation agreement on processing and / or refining for the purpose of adjustment to the Special Permit of Mining Undertakings (IUPK) of Production-Operation of processing and/ or refining;
- d. making a new cooperation agreement with buyer;
- e. making a cooperation agreement with other party in the utilization of wastes (residual materials) and / or by-products from the processing and / or refining, of which can be used as industrial raw materials in domestic markets of the country;
- f. blending (mixing) of mining commodities in order to meet the specifications from buyer(s);
- g. obtaining related permits in accordance with the prevailing laws and regulations; and / or
- h. using the facilities and infrastructures of transportation and docks (piers) or harbors in accordance with the prevailing laws and regulations.

THIRD

: The holder of Special Permit of Mining Undertakings (IUPK) of Production-Operation of processing and / or refining of ....mineral /Coal \*\*) shall be obliged to:

- a. submit RKAB in the current year to Director General/ Governor / Regent/Mayor within a period of at least 14 (fourteen) working days after the issuance of IUPK of Production-Operation of processing and / or refining;
- b. submit RKAB in the subsequent year for approval along with a report on the implementation of RKAB within a period of at least 45 (forty five) calendar days before the end of each calendar year to Director General / Governor / Regent / Mayor \*);
- c. submit the reports of activities such as monthly, quarterly, and annual reports based on IUPK of Production-Operation of processing and / or refining;
- d. meet the benchmark price of sales of minerals and coal in accordance with the prevailing laws and regulations;
- e. meet the minimum standard of processing and / or refining of mineral / coal \*) for the sake of exports as in compliance with the prevailing laws and regulations;
- f. meet the financial obligations in accordance with the prevailing laws and regulations;

- g. implement the technical practices of processing and / or refining of mining commodities in appropriate ways based on the already-approved RKAB;
- h. prioritize the fulfillment of domestic needs;
- 1. develop the facilities of processing and / or refining in accordance with the technical standards or in accordance with the prevailing laws and regulations;
- j. support the development and empowerment of communities in area impacted by the activities;
- k. prioritize the use of local labors, goods, and services;
- 1. comply with the laws and regulations on road traffic and transportation when using the public roads and facilities by obeying load capacity based on road category and considering the road traffic congestion and risk of traffic accidents;
- m. maximize the sales of associate products or by-products as in accordance with the prevailing laws and regulations;
- n. be responsible for the safety and health of workplace and environment in carrying out the activities of processing and/ or refining;
- o. accept the inspection by any governmental officer assigned by Director General/ Governor/ Regent/ Mayor \*) at any time; and
- p. provide data and information as required by Director General/ Governor/ Regent/ Mayor \*) at any time.

FOURTH

: The holders of IUPK of Production-Operation of processing and/ or refining of ...mineral/coal \*\*) shall be prohibited to:

- a. process and/ or refine any mining commodity not from Permit of Mining Undertakings (IUP) of Production-Operation, Special Permit of Mining Undertakings (IUPK) of Production- Operation, IPR, temporary permit on Transportation and Sales, IUP of Production-Operation of Sales, IUPK of Production-Operation of transportation and sales, IUPK of Production-Operation of processing and refining, of which the production has yet to meet the minimum standard of processing and/ or refining but has been registered at the Directorate General of Mineral and Coal with clear and clean certificate .
- b. transfer the authority of IUP to other party.

FIFTH

: Special Permit of Mining Undertakings (IUPK) of Production-Operation of

processing and/ or refining of ....mineral/coal \*\*) shall be valid for a period of maximal 20 (twenty) years since the issuance of the decision of Director General/ Governor/Regent/ Mayor \*), including the period of construction for 2 (two) years that will be extendable for maximum 10 (ten) year for each request of extension.

SIXTH : In case the holder of Special Permit of Mining Undertakings (IUPK) of Production-Operation of processing and/ or refining of ....mineral /coal \*\*) will conduct activities of processing and/or refining of mining commodities that do not derive from companies as listed in IUPK of Production-Operation of processing and/ or refining of ....mineral / coal\*\*), or will increase the capacity of processing and/ or refining, there shall be a request for adjustment (amendment) to IUPK of Production-Operation of processing and/ or refining of ....mineral /coal\*\*) submitted to Minister/ Governor/ Regent/ Mayor \*) with any necessary attachment(s).

SEVENTH : This Special Permit of Mining Undertakings (IUPK) of Production-Operation of processing and / or refining of ....mineral / coal \*\*) shall be subject to suspension (termination) or revoke in case the holder of the IUPK of Production-Operation of processing and refining of mineral .../coal \*\*) fails to meet any obligation and prohibition as cited in this Decree (Decision) of Minister / Governor / Regent / Mayor \*) as well as in the prevailing laws and regulations.

EIGHTH : This Decree (Decision) of Minister / Governor / Regent / Mayor \*) shall be effective as of the date of enactment (issuance).

Enacted in .... on the date of ...  
Government Official who grants the permit, \*)

Name of official

Carbon copies (cc):

- 1 Minister of Energy and Mineral Resources
- 2 Minister of Finance
- 3 Minister of Transportation
- 4 Minister of Trades and Commerce
5. Chief of Police of the Republic of Indonesia
6. Secretary General of the Ministry of Energy and Mineral Resources
- 7 Inspector General of the Ministry of Energy and Mineral Resources
- 8 Director General of Customs and Excise, Ministry of Finance
- 9 Director General of Sea Transportation, Ministry of Transportation

- 10 Director General of Foreign Trade, Ministry of Trades and Commerce
11. Director General of Domestic Trade, Ministry of Trades and Commerce
12. Governor of ...
13. Regent of ...
14. Head of Division of Mining and Energy of .... Province.
- 15 Head of Division of Mining and Energy of .... Regency

\*) based on the authority of official who grants the permit

\*\*) Used as necessary

\*\*\*) based on the type of company

MINISTER OF ENERGY AND MINERAL RESOURCES  
THE REPUBLIC OF INDONESIA,

Signed.

Jero Wacik

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MINISTRY OF ENERGY AND MINERAL RESOURCES

Head of Bureau of Laws

(signed with hallmark)

Susyanto

