



**MINISTER OF ENERGY AND MINERAL RESOURCES**

**THE REPUBLIC OF INDONESIA**

**REGULATION OF MINISTER OF ENERGY AND MINERAL RESOURCE**

**THE REPUBLIC OF INDONESIA**

**NUMBER: 34 YEAR 2017**

**REGARDING**

**LICENSING IN MINERAL AND COAL MINING**

**BY THE BLESSING OF THE ONE AND ONLY ALMIGHTY GOD**

**MINISTER OF ENERGY AND MINERAL RESOURCES**

**THE REPUBLIC OF INDONESIA**

Considering : a. that in the framework of providing guidance in the operation of business in the field of mineral and coal mining, it is necessary to stipulate the provisions on the procedures for the granting and implementing licenses in the field of

mineral and coal mining;

b. that in order to encourage the development of business, to ensure the legal certainty and business certainty, and to increase the effectiveness of licensing in the field of mineral and coal mining business, it is necessary to simplify the licensing in the field of mineral and coal mining;

c. That on the basis of the consideration as referred to in letter a, letter b, and to carry out the provision of Article 127 Law Number 4 Year 2009 regarding Mineral Coal Mining as well as provision Article 27 paragraph (2), Article 41, Article 44 paragraph (5), Article 68, and Article 83 of the Government Regulation Number 23 Year 2010 regarding Realization of Mineral and Coal Mining Business Activities as several times amended lastly by Government Regulation Number 1 Year 2017 regarding the Fourth Amendment to Government Regulation Number 23 Year 2010 regarding The Realization of Mineral and Coal Mining Business Activities, it shall be necessary

to stipulate Regulation of Minister of Energy and Mineral Resources regarding Licensing in Mineral and Coal Mining;

- In view of :
1. Law Number 40 Year 2007 regarding Limited Liability Company (State Gazette of the Republic of Indonesia Year 2007 Number 106, Supplement to State Gazette of the Republic of Indonesia Number 4756);
  2. Law Number 4 Year 2009 regarding Mineral and Coal Mining (State Gazette of the Republic of Indonesia Year 2009 Number 4, Supplement to State Gazette of the Republic of Indonesia Number 49);
  3. Law Number 32 Year 2009 regarding Environmental Protection and Management (State Gazette of the Republic of Indonesia Year 2009 Number 140, Supplement to the State Gazette of the Republic of Indonesia Number 5059);
  4. Law Number 23 Year 2014 regarding Regional Government (State Gazette of the Republic of Indonesia Year 2014 Number 244,

Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times and most recently by Law Number 9 Year 2015 regarding Second Amendment to the Law Number 23 Year 2014 regarding Regional Government (State Gazette of the Republic of Indonesia Year 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);

5. Government Regulation Number 23 Year 2010 regarding Realization of Mineral and Coal Mining Business Activities (State Gazette of the Republic of Indonesia Year 2010 Number 29, Supplement to the State Gazette of the Republic of Indonesia Number 5111) as several times amended lastly by Government Regulation Number 1 Year 2017 regarding the Fourth Amendment to Government Regulation Number 23 Year 2010 regarding the realization of Mineral and Coal Mining Business Activities (State Gazette of the Republic of Indonesia Year 2017 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number

6012);

6. Government Regulation Number 55 Year 2010 regarding Fostering and Supervision over the Implementation of Mineral and Coal Mining Management (State Gazette of the Republic of Indonesia Year 2010 Number 85, Supplement to the State Gazette of the Republic of Indonesia Number 5142);

7. Government Regulation Number 78 Year 2010 regarding Reclamation and Post Mining (State Gazette of the Republic of Indonesia Year 2010 Number 138, Supplement to the State Gazette of the Republic of Indonesia Number 5172)

8. Presidential Regulation Number 68 Year 2015 regarding Ministry of Energy and Mineral Resources (State Gazette of the Republic of Indonesia Year 2015 Number 132), as amended by Presidential Regulation Number 105 Year 2016 regarding Amendment to the Presidential Regulation Number 68 Year 2015 regarding Ministry of Energy and Mineral Resources (State

Gazette of the Republic of Indonesia Year 2016 Number 289);

9. Regulation of Minister of Energy and Mineral Resources Number 02 Year 2013 regarding surveillance Against the Organization of management of Mining Business conducted By Provincial Governments and Governments of Regency/City (State Gazette of the Republic of Indonesia Year 2013 Number 78);

10. Regulation of Minister of Energy and Mineral Resources Number 28 Year 2013 regarding Procedure of Auction of Mining Business License Area and Special Mining Business Area in Metallic Mineral and Coal Mining Business Activities (State Gazette of the Republic of Indonesia Year 2013 Number 1123);

11. Regulation of Minister of Energy and Mineral Resources Number 13 Year 2016 regarding Organization and Work Procedures of Ministry of Energy and Mineral

Resources (State Gazette of the Republic  
of Indonesia Year 2016 Number 782);

HEREBY DECIDES:

Stipulates : REGULATION OF MINISTER OF ENERGY AND MINERAL  
RESOURCES REGARDING LICENSING IN MINERAL AND  
COAL MINING.

#### GENERAL PROVISIONS

##### Article 1

In this Regulation of Minister, the following definitions  
shall be given to the following terms:

1. Exploration Mining Business License, hereinafter referred  
to as Exploration Mining Business License (IUP), means  
business license so duly granted to perform a activity  
phase of general investigation, exploration and  
feasibility study.
2. Exploration Special Mining Business License, hereinafter  
referred to as Exploration Special Mining Business License  
(IUPK) means business license so duly granted to perform a  
activity phase of general investigation, exploration and  
feasibility study within the area of special mining  
business license;

3. Mining Business License (IUP) for Production Operation, hereinafter referred to as Mining Business License (IUP) for Production Operation, means business license so duly granted after the finished of the implementation of Exploration Mining Business License (IUP) to perform the phase of production operation activity.
4. Special Mining Business License (IUP) for Production Operation, hereinafter referred to as Special Mining Business License (IUPK) for Operation, means business license so duly granted after the finished of the implementation of Exploration Special Mining Business License (IUPK) to perform the phase of production operation activity
5. Mining Business License (IUP) for Production Operation specially to processing and/or purification hereinafter referred to as Mining Business License (IUP) for Production Operation specially to processing and/or purification, means a business permit granted to purchase, transport, process, and purify, as well as to sell the mineral and coal commodity produced from the mining
6. Mining Service Business License, hereinafter referred to as IUJP means license so duly granted to perform the mining service business activities;



7. Mining Business License Area hereinafter referred to as WIUP, means the area granted to the Mining Business License (IUP) holder.
8. Special Mining Permit Areas hereinafter referred to as WIUPK, is the area granted to the IUPK holder.
9. Business Entity is any legal entity engaged in mining sector established under the laws of Indonesia and domiciled within the territory of the Unitary State of the Republic of Indonesia.
10. Indonesian State Owned Enterprises, hereinafter referred to as State-Owned Enterprise (SOE), is the State-Owned Enterprise (SOE) engaged in the mining sector in accordance with the provisions of legislation.
11. Indonesian Regional Owned Enterprises, hereinafter referred to as Regional-Owned Enterprise (ROE), is the Regional-Owned Enterprise (ROE) engaged in mining in accordance with the provisions of legislation.
12. Domestic Investment hereinafter referred to as PMDN, is the activity of investing to conduct business in the territory of the Republic of Indonesia conducted by domestic investors by using the domestic capital.
13. Foreign Investment hereinafter referred to as PMA, is the activity of investing to conduct business in the territory

of the Republic of Indonesia conducted by foreign investors, whether using the foreign capital completely or in association with the domestic investors.

14. Minister is the minister who conducts the government affairs in the field of mineral and coal mining.

15. Director General is the director general who has the duty of organizing the formulation and implementation of policies in the field of fostering, controlling and supervising mineral and coal activities.

## **CHAPTER II**

### **THE TYPE OF BUSINESS LICENSE IN THE FIELD OF MINERAL AND COAL MINING**

#### Article 2

(1) The business license in the field of mineral and coal mining shall be grouped into:

- a. Exploration Mining Business License (IUP);
- b. Exploration Special Mining Business License (IUPK);
- c. Mining Business License (IUP) for Production Operation;
- d. Special Mining Business License (IUPK) for Production Operation;
- e. Mining Business License (IUP) for Production Operation

specifically for processing and/or purification; and  
f. Mining Service Business License (IUJP)

(2) The business license in the field of mineral and coal mining as referred to in paragraph (1) may be given to:

- a. Business Entity
- b. Cooperative; and
- c. Individual.

(3) The Business Entity as referred to in paragraph (2) letter a shall consist of:

- a. State-Owned Enterprise (SOE);
- b. Regional-Owned Enterprise (ROE); and
- c. Private business entity.

(4) The Individual as referred to in paragraph (2) letter c consists of:

- a. Firm company;
- b. Corporate partnership; and
- c. An individual.

### Article 3

(1) Business entity, cooperative and individual may only carry on the mineral and coal mining business activities after obtaining the business license in the field of mineral and

coal mining as referred to in Article 2 paragraph (1).

- (2) The business license in the field of mineral and coal mining as referred to in Article 2 paragraph (1) shall not be used other than as intended in the granting of business license in the field of mineral and coal mining.

### CHAPTER III

#### EXPLORATION MINING BUSINESS LICENSE (IUP) AND EXPLORATION SPECIAL MINING BUSINESS LICENSE (IUPK)

##### Part One

##### General

##### Article 4

- (1) Exploration Mining Business License (IUP) as referred to in Article 2 paragraph (1) letter a is granted by:
- a. Minister, if the WIUP is:
1. located in the provincial cross area;
  2. located on the sea territory of more than 12 (twelve) nautical miles measured from the shoreline toward the open sea and/or toward the archipelagic waters; or
  3. directly adjacent to another country;

b. Governor, if the WIUP is located:

1. within 1 (one) province; or

2. on the ocean territories up to 12 (twelve) nautical miles measured from the shoreline toward the open sea and/or toward the archipelagic waters.

(2) In the case of the sea territory between two provinces less than 24 (twenty four) nautical miles, the authority of the governor in the sea territory as referred to in paragraph (1) letter b shall be equally spaced or measured in accordance with the centreline principle of the region between those two regions of the province.

(3) Exploration Mining Business License (IUP) submitted by private business entity in the framework of PMA granted by the Minister.

(4) The Governor shall submit the document of Exploration Mining Business License (IUP) which has made the change of status from PMDN to PMA to the Minister for renewal of the Exploration Mining Business License (IUP).

#### Article 5

(1) In order to ensure the effective implementation and control of mineral and coal mining business activities in

the efficient, effective and competitive manner, the Exploration Mining Business License (IUP) is provided by the Minister if:

- a. Filed by the open Business Entity (go public),
- b. Have more than 1 (one) metal mineral or coal IUP; and
- c. The WIUP is located in more than 1 (one) province.

(2) Open Business Entity has 1 (one) or more of the metal mineral or coal IUP may propose the Exploration Mining Business License (IUP) to the Minister if:

- a. Is the other metal mineral or coal Exploration Mining Business License (IUP); and
- b. The WIUP is located on the different provinces.

(3) The Governor shall submit the document Exploration Mining Business License (IUP) owned by:

- a. Open Business Entity (go public)
- b. Have more than 1 (one) of metal mineral or coal IUP; and
- c. The WIUP is located in more than 1 (one) province, to the Minister for renewable the Exploration Mining Business License (IUP).

## Article 6

Exploration Special Mining Business License (IUPK) as referred

to in Article 2 paragraph (1) letter b is given by the Minister.

## Part Two

### Procedures for the Granting of Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK)

## Article 7

- (1) Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK) shall be granted to the Business Enterprise, cooperative or individual through the following stages:
  - a. the granting of WIUP or WIUPK; and
  - b. The granting of Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK).
- (2) The granting of WIUP or WIUPK as referred to in paragraph (1) letter a shall be done by priority, auction mechanism, or application in accordance with the provisions of the law
- (3) The granting of Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK) as referred to in paragraph (1) letter b shall be conducted

based on the application of Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK) proposed by Business Entity, cooperatives or individual who have obtained the WIUP or WIUPK.

(4) The application for Exploration Mining Business License (IUP) as referred to in paragraph (3) must be submitted to the Minister or governor in accordance with its authority no later than 5 (five) working days:

a. After the Business Entity, the cooperative or the individual is designated as the winner of the auction of metal mineral WIUP or coal WIUP; or

b. After the issuance of non metal mineral WIUP maps or rock WIUP.

(5) The Exploration Special Mining Business License (IUPK) application as referred to in paragraph (3) must be submitted to the Minister no later than 5 (five) working days:

a. After State-Owned Enterprise (SOE) or Regional-Owned Enterprise (ROE) shall be given the WIUPK priority or stipulated as the winner of WIUPK auction; or

b. After the private business entity is designated as the winner of the WIUPK auction.

(6) In the event of any objections to the determination of the winner auction of the metal mineral WIUP, coal WIUPK or



WIUPK as referred to in paragraph (4) a and paragraph (5), the application for Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK) must be submitted within 5 (five) working days after the completion of the protest period or the issuance of the Minister's response to the rebuttal that the auction and the determination of the winner auction of the metal mineral WIUP, coal WIUP or WIUPK shall be correct.

#### Article 8

- (1) The application for Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK) as referred to in Article 7 must meet the administrative, technical, environmental, and financial requirements.
- (2) In addition to the requirements as referred to in paragraph (1), the application for Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK) must be accompanied by the evidence of the placement of the guarantees of exploration seriousness.
- (3) The guarantees of exploration seriousness as referred to in paragraph (2) shall be placed in time deposits form at the government or regional government bank on behalf of

the Director General or governor qq the applicant of Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK) with the following provisions:

- a. The guarantees of seriousness placed shall be determined at Rp.5,000,000.00 (five million rupiahs) if the area of the WIUP or WIUPK is less than or equal to 40 (forty) hectares; or
- b. The guarantees of seriousness placed shall be calculated on the basis of the area per hectare multiplied by Rp.150,000.00 (one hundred and fifty thousand rupiahs) if the area of the WIUP or WIUPK is more than 40 (forty) hectares.

(4) The guarantees of exploration seriousness as referred to in paragraph (3) and the interest thereon may be disbursed after obtaining approval of feasibility study documents from the Director General on behalf of the Minister or governor in accordance with their authority.

(5) In the event that the holder of the Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK) does not conduct the exploration and/or the Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK) is revoked, the exploration soybean guarantee as referred to

in paragraph (3) and its interest shall be determined to belong to the Central Government as non tax state revenue.

- (6) The application, evaluation and issuance of Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK) shall be processed in accordance with the procedures contained in Attachment I which is the integral part of this Ministerial Regulation.

### Part Three

Implementation of Exploration Mining Business License (IUP)  
and Exploration Special Mining Business License (IUPK)

### Article 9

- (1) Exploration Mining Business License (IUP) and Exploration Special Mining Business License (IUPK) includes the activities:
- a. general investigation
  - b. exploration; and
  - c. feasibility study.
- (2) Exploration Mining Business License (IUP) and Exploration Special Mining Business License (IUPK) as referred to in paragraph (1) shall be granted for the period time of:
- a. No later than 8 (eight) years for metal mineral Exploration Mining Business License (IUP) or metal

mineral Exploration Special Mining Business License  
(IUPK)

b. No later than 7 (seven) years, for:

1. Coal Exploration Mining Business License (IUP);
2. Non metal mineral of certain types Exploration  
Special Mining Business License (IUPK); or
3. Coal Exploration Special Mining Business License  
(IUPK);

c. No later than 3 (three) years, for:

1. Non metal mineral Exploration Mining Business  
License (IUP); or
2. Rock Exploration Mining Business License (IUP).

(3) Non metal mineral of certain types as referred to in  
paragraph (2) letter b number 2 in accordance with the  
provisions of laws and regulations.

#### CHAPTER IV

#### MINING BUSINESS LICENSE (IUP) FOR PRODUCTION OPERATION AND SPECIAL MINING BUSINESS LICENSE (IUPK) FOR PRODUCTION OPERATION

Part One

General

## Article 10

- (1) Mining Business License (IUP) for Production Operation as referred to in Article 2 paragraph (1) letter c is granted by:
  - a. The Minister, if the mining location, processing location and/or purification, as well as the special port location:
    1. located in the provincial cross; or
    2. directly adjacent to another country;
  - b. The Governor, if the mining location, processing location and/or purification, as well as the location of the special port are within 1 (one) province.
- (2) Mining Business License (IUP) for Production Operation submitted by private business entity in the framework of PMA is granted by the Minister.
- (3) The Governor shall submit the Mining Business License (IUP) for Production Operation document that has made the change of status from PMDN to PMA to the Minister for renewal of the Mining Business License (IUP) for Production Operation.

## Article 11

- (1) In order to ensure the effective implementation and

control of mineral and coal mining business activities in the efficient, effective and competitive manner, the Mining Business License (IUP) for Production Operation is granted by the Minister if:

- a. Filed by the open Business Entity (go public),
- b. Have more than 1 (one) metal mineral or coal IUP; and
- c. The WIUP is located in more than 1 (one) province.

(2) The open Business Entity (go public) which already have 1 (one) or more metal mineral or Mining Business License (IUP) for Coal Production Operation may apply the Mining Business License (IUP) for Production Operation to the Minister if:

- a. Is the other metal mineral or Mining Business License (IUP) for Coal Production Operation; and
- b. The WIUP is located in different provinces.

(3) The Governor shall submit the documents of Mining Business License (IUP) for Production Operation owned by:

- a. open Business Entity (go public);
- b. Have more than 1 (one) of the metal mineral or Mining Business License (IUP) for Coal Production Operation; and
- c. The WIUP is located in more than 1 (one) province, to the Minister for renewal of the Exploration Mining Business License (IUP).

## Article 12

Special Mining Business License (IUPK) for Production Operation as referred to in Article 2 paragraph (1) letter d is given by the Minister.

### Part Two

Procedure for the Granting of Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation

## Article 13

(1) Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation shall be given to the Business Entity, cooperative or individual who have completed the Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK) stage.

(2) Every holder of Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK) is guaranteed to obtain Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation as continuation of

the mining business activity by applying for the increase to Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation to Minister or governor in accordance with their authority.

(3) The application for the increase to Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation as referred to in paragraph (2) shall be submitted to the Minister or governor in accordance with their authority no later than:

- a. 6 (six) months before the expiration of the metal mineral Exploration Mining Business License (IUP), non metal mineral of certain types Exploration Mining Business License (IUP), coal Exploration Mining Business License (IUP), metal mineral Exploration Special Mining Business License (IUPK), or coal Exploration Special Mining Business License (IUPK); or
- b. 3 (three) months before the expiration of the period of non metal mineral of certain types Exploration Special Mining Business License (IUPK) or rock Exploration Special Mining Business License (IUPK).

(4) Application for the increase to Operation IUP or Special Mining Business License (IUPK) for Production Operation as referred to in paragraph (3) must meet the administrative,



technical, environmental, and financial requirements.

- (5) The application, evaluation and issuance of the Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation shall be processed in accordance with the procedure contained in Attachment IIA which is the integral part of this Ministerial Regulation.

### Part Three

#### Implementation of Mining Business License (IUP) for Production Operation and Special Mining Business License (IUPK) for Production Operation

### Article 14

- (1) Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation shall cover the activities:
- a. Construction;
  - b. Mining;
  - c. Processing and/or purification; and
  - d. Transportation and sales.
- (2) Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation as referred to in paragraph (1) shall be granted

for the period of time:

a. Maximum 20 (twenty) years and can be extended 2 (two) times each 10 (ten) years for:

1. Mining Business License (IUP) for metal mineral Production Operation;

2. Mining Business License (IUP) for Coal Production Operation;

3. Mining Business License (IUP) for non metal mineral of certain types Production Operation;

4. Special Mining Business License (IUPK) for Metal mineral Production Operation; or

5. Special Mining Business License (IUPK) for Coal Production Operation;

b. A maximum of 10 (ten) years and can be extended 2 (two) times every 5 (five) years Mining Business License (IUP) for non metal mineral Production Operation; or

c. Maximum 5 (five) years and can be extended 2 (two) times every 5 (five) years for Mining Business License (IUP) for Rock Production Operation.

(3) In order to obtain the extension as referred to in paragraph (2), the holder of Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation must apply to the

Minister or governor in accordance with their authority:

a. At the latest 5 (five) years and no later than 1 (one) year before the expiry of Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation for renewal application:

1. Mining Business License (IUP) for metal mineral Production Operation;
2. Mining Business License (IUP) for non metal mineral of certain types Production Operation ;
3. Mining Business License (IUP) for Coal Production Operation;
4. Special Mining Business License (IUPK) for Metal mineral Production Operation; or
5. Coal Special Mining Business License (IUPK) for Production Operation;

b. At the latest 2 (two) years and no later than 6 (six) months before the expiry of Mining Business License (IUP) for Production Operation for renewal application:

1. Non Mining Business License (IUP) for metal mineral Production Operation; or
2. Mining Business License (IUP) for Rock Production Operation.

(4) The application as referred to in paragraph (3) shall at

least be furnished:

- a. Maps and boundaries of regional coordinates;
- b. Proof of permanent fee payment and production fee for the last 3 (three) years
- c. Final report of Production Operation activities
- d. Report on the implementation of environmental management
- e. Work plan and cost budget; and
- f. Balance of resources and reserves.

(5) The minister or governor in accordance with their authority may refuse the application for extension of Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation if based on the evaluation result of Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation does not show the performance of good production operation.

(6) The application, evaluation and issuance of Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation shall be processed in accordance with the procedure contained in Attachment IIB which is the integral part of this Ministerial Regulation.

## Article 15

The holders of Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation can not apply for Mining Business License (IUP) for Production Operation for processing and/or purification as well as the Mining Service Business License (IUJP) as meant in Article 2 paragraph (1) letter e and letter f.

### CHAPTER V

#### MINING BUSINESS LICENSE (IUP) FOR PRODUCTION OPERATION SPECIFICALLY FOR PROCESSING AND/OR PURIFICATION

##### Part One

##### General

## Article 16

(1) Mining Business License (IUP) for Production Operation specifically for processing and/or purification as referred to in Article 2 paragraph (1) letter e is granted by:

a. Minister, if:

1. the mining commodities to be processed are from other provinces outside the location of processing and/or purification facilities;

2. the mining commodities to be processed are from abroad; and/or

3. if the location of processing and purification facilities is located across provinces;

b. Governor, if:

1. the mining commodities to be processed shall originate from 1 (one) province area which is the same as the location of the processing and/or purification facilities; and/or

2. if the location of processing and/or purification facilities is within 1 (one) province.

(2) Mining Business License (IUP) for Production Operation specifically for processing and/or purification filed by private business entity in the framework of PMA is given by the Minister.

(3) The Governor shall submit the Special Mining Business License (IUPK) for Production Operation document for processing and/or purification which has made the change of status from PMDN to PMA to the Minister for renewal of Mining Business License (IUP) for Production Operation specifically for processing and/or purification.

## Part Two

Procedure for the Granting of Mining Business License (IUP)

for Production Operation specifically for processing and/or  
purification

Article 17

- (1) Mining Business License (IUP) for Production Operation specifically for processing and/or purification of mining commodities of metal mineral, non metal mineral, and coal may only be provided to the Business Entity.
- (2) Mining Business License (IUP) for Production Operation specifically for processing and/or purification of mining commodities of rock may be provided to the Business Entity, the cooperative or the individual
- (3) In order to obtain the Mining Business License (IUP) for Production Operation specifically for processing and/or purification as referred to in paragraph (1) and paragraph (2), business entity, cooperative or individual must meet the administrative, technical, environmental, and financial requirements.
- (4) Application, evaluation, and issuance of special Mining Business License (IUP) for Production Operation for processing and/or purification shall be processed in accordance with the procedures contained in Attachment IIIA which is the integral part of this Ministerial

Regulation.

### Part Three

Implementation of Mining Business License (IUP) for Production Operation specifically for processing and/or purification

### Article 18

- (1) Mining Business License (IUP) for Production Operation specifically for processing and/or purification includes the activities:
  - a. Processing and/or purification; and
  - b. Transportation and sales.
- (2) Processing and/or Purification as referred in paragraph (1) letter a can be:
  - a. Metal mineral Processing and purification;
  - b. Non metal mineral processing;
  - c. Rock processing; or
  - d. Coal processing.
- (3) The transporting and selling activities as referred to in paragraph (1) letter b shall be in the form of transportation and sale of processing and/or purification products as referred to in paragraph (2).
- (4) Mining Business License (IUP) for Production Operation specifically for processing and/or purification as



referred to in paragraph (1) shall be given for the period of not more than 30 (thirty) years and may be extended for a period of 20 (twenty) years each time of renewal.

(5) In order to obtain the extension as referred to in paragraph (4), the holder of Mining Business License (IUP) for Production Operation specifically for processing and/or purification shall apply to the Minister or governor in accordance with their authority no later than 5 (five) years and no later than 1 (one) year before the expiry of Mining Business License (IUP) for Production Operation specifically for processing and/or purification.

(6) The application as referred to in paragraph (5) shall at least be furnished:

- a. A copy of the Mining Business License (IUP) for Production Operation specifically for processing and/or purification;
- b. Financial statements that have been audited by public accountant in the last 2 (two) years; and
- c. Activity report of the past year.

(7) The minister or governor in accordance with their authority may refuse the application of extension of Mining Business License (IUP) for Production Operation specifically for processing and/or purification if based on the result of the evaluation of the holder of the

Mining Business License (IUP) for Production Operation specifically for processing and/or purification does not show the good performance.

- (8) The application, evaluation and issuance of the extension of Mining Business License (IUP) for Production Operation specifically for processing and/or purification shall be processed in accordance with the procedures contained in Attachment IIIB which is the integral part of this Ministerial Regulation.

## CHAPTER VI

### MINING SERVICE LICENSE

#### Part One

#### General

#### Article 19

- (1) The Mining Service Business License (IUJP) as referred to in Article 2 paragraph (1) letter f is granted by:
- a. Minister if the mining service business activities are conducted throughout Indonesia; or
  - b. Governor if the mining service business activities are conducted in 1 (one) province area.
- (2) The Mining Service Business License (IUJP) submitted by

private business entity in the framework of PMA is granted by the Minister.

- (3) The Governor shall submit the Mining Service Business License (IUJP) document which has made the change of status from PMDN to PMA to the Minister to update the Mining Service Business License (IUJP).

## Part Two

### Procedures for the Granting of Mining Service Business License (IUJP)

#### Article 20

- (1) The Mining Service Business License (IUJP) to conduct the mining services business activities throughout Indonesia is provided by the Minister based on the application submitted by the Business Entity.
- (2) The Mining Service Business License (IUJP) to conduct the mining services business activities within 1 (one) provincial area shall be granted by the governor based on the application submitted by the Business Entity, cooperative or individual.
- (3) The application as referred to in paragraph (1) and paragraph (2) must meet the administrative and technical requirements.

- (4) The application, evaluation and publication of Mining Service Business License (IUJP) shall be processed in accordance with the procedures contained in Attachment IVA which is the integral part of this Ministerial Regulation.

### Part Three

#### Implementation of Mining Service Business License (IUJP)

#### Article 21

- (1) The Mining Service Business License (IUJP) covers the following activities:
- a. Consultation, planning and implementation in the field of:
    - 1. general investigation;
    - 2. exploration;
    - 3. feasibility study;
    - 4. mining construction;
    - 5. transportation;
    - 6. mining environment;
    - 7. post mining and reclamation; and/or
    - 8. occupational safety and health;
  - b. Consultation and planning in the field of:
    - 1. mining; or
    - 2. processing and purification.

- (2) Individuals as the holders of the Mining Service Business License (IUJP) can only conduct the mining services business in consultation and/or planning activities.
- (3) The field of mining services business as referred to in paragraph (1) shall consist of subfields listed in Attachment IVB which is the integral part of this Ministerial Regulation.
- (4) The change in the fields and subfields of mining services business as referred to in paragraph (3) shall be determined by the Director General on behalf of the Minister.
- (5) The Mining Service Business License (IUJP) as referred to in paragraph (1) shall be granted for the maximum period of 5 (five) years and may be extended for a period of 3 (three) years each time of renewal.
- (6) In order to obtain the extension as referred to in paragraph (5), the Mining Service Business License (IUJP) holders must submit the application to the Minister or governor in accordance with the authority at the latest 6 (six) months and no later than 2 (two) months before the expiry of the Mining Service Business License (IUJP) period.
- (7) The application as referred to in paragraph (6) shall at

least be furnished:

- a. Copy of Mining Service Business License (IUJP); and
- b. Proof of report submission of activities to the head of mining engineering.

(8) The minister or governor in accordance with their authority may reject the application for extension of Mining Service Business License (IUJP) if based on the evaluation result of the Mining Service Business License (IUJP) holders does not show the good performance.

(9) The application, evaluation, and issuance of the Mining Service Business License (IUJP) renewal shall be processed in accordance with the procedures contained in Attachment IVC which is the integral part of this Ministerial Regulation.

## Article 22

(1) The holders of Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation may submit the mining activities to the Mining Service Business License (IUJP) holders limited to stripping of rock/ ground cover activities.

(2) Stripping of rock/ground cover as referred to in paragraph

(1) shall consist of excavation, loading, and overburden removal or stripping of rock with or without blasting.

(3) In the framework of the development and empowerment of local communities, optimization of utilization and conservation of alluvial minerals, the holders of Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation may submit the alluvial mineral deposits to the Mining Service Business License (IUJP) holders issued by the governor through the partnership program after obtaining the Ministerial approval.

(4) The holders of Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation by underground mining method may submit work of tunnel/shaft access to the vein ore/seam coal, drainage and warfare to the Mining Service Business License (IUJP) holders of mining construction field of tunnelling sub-field.

## CHAPTER VII

### RIGHTS, OBLIGATIONS, AND PROHIBITIONS

#### Part One

Rights, Obligations, and Prohibition of the Holders of Mining Business License (IUP) and Special Mining Business License

(IUPK)

Paragraph 1

Right

Article 23

The holders of Mining Business License (IUP) and Special Mining Business License (IUPK) are entitled to:

- a. Conduct the mining business activities at WIUP or WIUPK in accordance with the provisions of laws and regulations
- b. Have the mineral, including the associated mineral, or coal that have been produced after the fulfilling production dues, except for the radioactive mineral;
- c. Apply for the temporary suspension of mining business activities in accordance with the provisions of laws and regulations;
- d. Build the facilities and/or infrastructure supporting the mining business activities;
- e. Sell the mineral or coal, including selling overseas after the fulfilment of domestic needs and selling minerals or coal excavated in exploration activities or feasibility study activities in accordance with the provisions of legislation; and
- f. Obtain the right to land in accordance with the provisions



of legislation.

#### Article 24

(1) The holders of Mining Business License (IUP) and Special Mining Business License (IUPK) may:

- a. Utilizing the public facilities and/or infrastructure to support the mining business activities in accordance with the provisions of legislation;
- b. Cooperate with other business entity in order to utilize the publicly owned facilities and infrastructure to support the mining business activities
- c. Cooperate with the Mining Service Business License (IUJP) holders in accordance with the approval of the work plan and budget;
- d. Use the foreign workers in accordance with the approval of the work plan and budgetary costs and the approval of the agencies that administer the affairs in the field of manpower in accordance with the provisions of legislation;
- e. Make changes to investment and financing sources including changes in paid up capital and placed in accordance with the approval of the work plan and

budget;

- f. Apply for partial shrinkage or return all the WIUP or WIUPK in accordance with the provisions of laws and regulations;
- g. Apply for the IUP or IUPK application to seek other mining commodities found in WIUP or WIUPK to the Minister or governor in accordance with the authority by forming a new Business Entity;
- h. Apply for the application of the change of mineral mining commodity concession which is associated at the time of submission of approval of feasibility study;
- i. Apply for the application of the accompanying minerals including the rare earth metal mineral upon approval of the feasibility study;
- j. Apply for the application of the territory outside the WIUP or WIUPK to support the mining business activities;
- k. Build the transport facilities, storage/ stockpiling, and purchase or use of the explosives in accordance with the approval of the work plan and budget;
- l. Build the storage/stockpiling of liquid fuels in accordance with the approval of the work plan and

budget;

m. Carry out the sleep blasting in accordance with the approval of the work plan and budget;

n. Submit the feasibility test plan for the use of equipment and/or feasibility plan for the use of the installation in accordance with the approval of the work plan and budget; and

o. Operating the dredger/suction boat in accordance with the approval of the work plan and the cost budget.

(2) Approval of work plan and cost budget as referred to in paragraph (1) letter c, letter d, letter e, letter k, letter l, letter m, letter n, and letter o are given based on the evaluation of supervision result of mining business activities from the period of previous year.

(3) The Minister shall delegate the authority to the governor to grant the approval of the use of foreign workers through the approval of the work plan and the budgetary cost in accordance with the provisions of the legislative regulation.

(4) The approval of the work plan and the cost budget as referred to in paragraph (2) and paragraph (3) may be used as the recommendation for the processing of licensing in

other institutions in accordance with the provisions of legislation.

#### Article 25

- (1) The holders of Mining Business License (IUP) and Special Mining Business License (IUPK) may work together to support their mining business activities including the activities as referred to in Article 21 with the Mining Service Business License (IUJP) holders.
- (2) The holders of Mining Business License (IUP) and Special Mining Business License (IUPK) may work together to conduct the supporting business activities other than the activities as referred to in Article 21 with other parties who have received the registration marks announced by the Director General or governor in accordance with the authority.
- (3) The holders of Mining Business License (IUP) for Production Operation and Special Mining Business License (IUPK) for Production Operation may work together to carry out the transportation and sales with other parties who have received the registration marks announced by the Director General or governor in accordance with their authority.

(4) The requirements, requests, evaluations, and registration marks as referred to in paragraph (2) are listed in Attachment VA which is the integral part of this Ministerial Regulation.

(5) The requirements, requests, evaluations, and registration marks as referred to in paragraph (3) are listed in Attachment VB which is the integral part of this Ministerial Regulation.

Paragraph 2

Obligations

Article 26

(1) The holders of Mining Business License (IUP) and Special Mining Business License (IUPK) shall:

- a. Conduct all the mining business activities in accordance with the provisions of legislation:
- b. Prepare and submit the work plans and budgetary costs to the Minister or the governor in accordance with the authority to obtain consent;
- c. Apply the good mining technique rules;
- d. Submit the periodic written reports on work plans and budgetary costs and the implementation of mining

business activities undertaken;

- e. Prioritizing the fulfilment of mineral and coal needs in the country and adhere to the control of production and sales;
- f. Plan and implement the reclamation and post-mining in accordance with the approved reclamation plan and post-mining plan and place the reclamation and post-mining guarantees in accordance with the provisions of laws and regulations;
- g. Submit the final report of exploration activities, resource estimation reports, and estimates of mineral or coal reserves in accordance with the provisions of laws and regulations;
- h. Reported mineral or coal excavated in exploration or feasibility studies to the Minister or governor in accordance with their respective powers
- i. Manage the finances in accordance with Indonesia's accounting system;
- j. To increase the added value of mineral or coal of mining products in the country in accordance with the provisions of laws and regulations;
- k. Prepare, implement, and submit reports on the

implementation of community development and empowerment programs in accordance with the provisions of laws and regulations; adhere to the tolerance limits of environmental carrying capacity;

- m. Ensure the application of environmental standards and quality standards in accordance with the characteristics of an area
- n. Preserving the sustainability of the function and carrying capacity of water resources in accordance with the provisions of legislation;
- o. Minimize the extensive Exploration WIUP or Exploration WIUPK of the WIUP or WIUPK that exceeds the maximum limit of Production Operation WIUP or Production Operation WIUPK;
- p. Putting the mark on Production Operation WIUP or Production Operation WIUPK;
- q. Comply with the technical provisions of mining operations;
- r. Apply the standard of competence of mining worker;
- s. Submit all data obtained from the activities of the exploration and production operations to the Minister or the governor in accordance with the authority;

- t. Administering every mining business activity;
- u. Prioritize the utilization of local manpower, goods and services in the country in accordance with the provisions of legislation;
- v. Divest shares to Indonesian Participants for the private Business Entity in the framework of PMA of the holders of Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation;
- w. To include the local businessmen around the WIUP or WIUPK in conducting the production operations in accordance with the provisions of laws and regulations;
- x. To pay the financial obligations in accordance with the laws and regulations; and
- y. Settle the rights to land with the right holder in accordance with the provisions of legislation.

(2) In the application of good mining technique rules as referred to in paragraph (1) letter c, the holders of Mining Business License (IUP) and Special Mining Business License (IUPK) shall implement:

- a. mining technical management



- b. management of mining safety
- c. management and monitoring of the mining environment, including the reclamation and post-mining activities
- d. efforts to conserve the mineral and coal resources
- e. management of mine waste from the mining business activities in solid, liquid, or gas form to meet the environmental quality standards before being released to the environmental media; and
- f. the application of effective and efficient technology.

(3) In implementing the application of good mining principles as referred to in paragraph (2), the holders of Mining Business License (IUP) and Special Mining Business License (IUPK) shall:

- a. appoint the head of mining engineering as the highest leader in the field authorized by the mine inspector's chief
- b. have the competent mining technical personnel in accordance with the provisions of laws and regulations; and
- c. have the operational supervisor who has the operational oversight card authorized by the chief inspector of the mine.

(4) In the event that the holders of Mining Business License (IUP) for Production Operation or Special Mining Business

License (IUPK) for Production Operation undertake mining with the underground mining method, the holders of Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation shall appoint the head of underground mine authorized by the Chief Inspector of the mine.

(5) In the event that holders of Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation using the explosives in the implementation of the mining business activities shall have the blow permission card from the head of the mining inspector.

(6) In order to support the application of the competence standards of the mining workforce as referred to in paragraph (1) letter r, the holders of Mining Business License (IUP) and Special Mining Business License (IUPK) shall support the implementation of education and training in the field of mineral and coal exploitation.

(7) The Minister assigns the head of the provincial office in charge of energy and mineral resources to exercise some of the authority and duties of the chief inspector of mining in approving the head of mining engineering, issuing operational oversight cards, authorizing the head of

underground mine, issuing the explosive license cards, approving the construction of storage facilities/stockpiling of explosives and liquid fuels, providing the recommendations on the purchase and use of the explosives, approving the implementation of sleep blasting, feasibility testing of equipment usage and/or testing of the installation feasibility, operation of dredgers/suction in accordance with the provisions of legislation.

#### Article 27

- (1) The holders of Mining Business License (IUP) for Production Operation and Special Mining Business License (IUPK) for Production Operation prior to conducting the production operations and/or implementation of new technology shall submit the application for the commissioning test to the Minister or governor in accordance with their authority.
  
- (2) In the event that the holders of Mining Business License (IUP) and Special Mining Business License (IUPK) will conduct the share changes and the board of directors and/or commissioners must obtain the recommendation from the Director General on behalf of the Minister or the governor before being registered with the Ministry of Law

and Human Rights.

(3) The application, evaluation, and issuance of recommendation as referred to in paragraph (2) shall be processed in accordance with the procedure contained in Attachment VIA which is the integral part of this Ministerial Regulation.

#### Article 28

In the event of errors in the conduct of Mining business activities that have the direct negative impact on the community, the the holders of Mining Business License (IUP) or IUPK are obliged to pay the adequate compensation to the communities directly affected by the provisions of legislation.

#### Paragraph 3

#### Prohibition

#### Article 29

The the holders of Mining Business License (IUP) or IUPK are prohibited from:

a. Sell the products of mining proceeds abroad before processing and/or purification in the country in

- accordance with the provisions of legislation;
- b. Sell the mining proceeds which is not from its own mining proceeds without the approval of the Director General;
  - c. Perform the processing and/or purification of the mining proceeds without having the IUP, People Mining Permits, or IUPK;
  - d. Involving the subsidiaries and/or affiliates engaged in supporting business activities in the conduct of mining business activities without the approval of the Director General on behalf of the Minister;
  - e. Have the People Mining Permits, Mining Business License (IUP) for Production Operation specifically for processing and/or purification, and Mining Service Business License (IUJP);
  - f. Pledging the unexplored mining commodities to other parties;
  - g. Conduct the mining business activities in the prohibited place in accordance with the provisions of laws and regulations; and
  - h. Transfer the Mining Business License (IUP) and Special Mining Business License (IUPK) to other parties.

Part Two

Rights, Obligations, and Prohibition of the Mining Business

License (IUP) for Production Operation specifically for

Processing and/or Purification

Paragraph 1

Right

Article 30

The holders of Mining Business License (IUP) for Production Operation specifically for processing and/or purification shall be entitled to:

- a. Buy, sell, and transport the mining commodities which will and have been processed and/or refined;
- b. Enter into cooperation agreements with other parties in the utilization of residual and/or by-products of processing and/or purification products for domestic industrial raw materials;
- c. Mixing mine commodity products to meet the buyer's specifications; and
- d. Utilizing the public facilities and/or infrastructure to support the business activities in accordance with the provisions of legislation.

Paragraph 2

Obligations

Article 31

(1) The holders of Mining Business License (IUP) for Production Operation specifically for processing and/or purification shall:

- a. Prepare and submit the work plans and budget to the Minister or the governor in accordance with the authority to obtain the approval;
- b. Submit the periodic written reports on work plans and budgetary costs as well as the conduct of Mining activities undertaken;
- c. Use the foreign workers in accordance with the approval of the work plan and budgetary costs and the approval of the agencies that administer the affairs in the field of manpower in accordance with the provisions of legislation;
- d. Make changes in investment and financing sources including changes in paid up capital and placed in accordance with the approval of the work plan and budget;
- e. Fulfil the restriction of processing and/or

purification to conduct the overseas sales in accordance with the provisions of legislation;

- f. Comply with the benchmark price of mineral or coal sales in accordance with the provisions of legislation;
- g. Prioritizing the fulfilment of mineral and coal needs in the country;
- h. Appoint the head of mining engineering as the supreme leader in the field authorized by the chief inspector of the mine;
- i. Have the competent Mining technical personnel in accordance with the provisions of laws and regulations;
- j. Implement the Mining safety management
- k. Manage the finances in accordance with Indonesia's accounting system;
- l. Prepare, implement, and submit reports on the implementation of community development and empowerment programs in accordance with the provisions of laws and regulations;
- m. Obey the tolerance limit of environmental carrying capacity;



- n. Ensure the application of the environmental standards and quality standards in accordance with the characteristics of the area;
- o. Maintain the sustainability of the function and carrying capacity of the water resources in accordance with the provisions of the laws and regulations;
- p. Comply with the technical provisions of mining operations;
- q. Apply the standard of competence of mining worker;
- r. Administering every business activity;
- s. Prioritize the utilization of local manpower, goods and services in the country in accordance with the provisions of legislation; and
- t. Include the local entrepreneurs around the processing facility and/or purification in accordance with the provisions of the legislation.

(2) Approval of the work plan and cost budget as referred to in paragraph (1) letter a, letter c and letter d shall be granted based on the evaluation of supervision result of mining business activity from the previous year period.

(3) The approval of the work plan and the cost budget as referred to in paragraph (2) may be used as the recommendation for the processing of licensing in other institutions in accordance with the provisions of laws and regulations.

## Article 32

(1) The holders of Mining Business License (IUP) for Production Operation specifically for processing and/or purification prior to carrying out the production operations and/or application of new technology shall submit the application for the commissioning test to the Minister or governor in accordance with their authority.

(2) In the event that the holders of Mining Business License (IUP) for Production Operation specifically for processing and/or purification will conduct the share changes as well as the directors and/or commissioners shall first obtain the recommendation of the Director General on behalf of the Minister or governor before being registered with the Ministry of Law and Human Rights.

(3) The application, evaluation, and issuance of recommendation as referred to in paragraph (2) shall be processed in accordance with the procedures contained in

Attachment VIB which is the integral part of this Ministerial Regulation.

Paragraph 3

Prohibition

Article 33

The holders of Mining Business License (IUP) for Production Operation specifically for processing and/or purification are prohibited:

- a. Undertake processing and/or purification of Mining results without having the IUP, People Mining Permits, or IUPK;
- b. Have the IUP, People Mining Permits, or IUPK, and Mining Service Business License (IUJP); and
- c. Transfer the Mining Business License (IUP) for Production Operation specifically for processing and/or purification to other parties.

Part Three

Rights and Obligations of the Holders of Mining Service

Business License (IUJP)

Paragraph 1

Right

## Article 34

The holders of Mining Service Business License (IUJP) are entitled to conduct the business activities in accordance with the work plan and budgetary costs approved by the Minister or the governor in accordance with their respective authorities.

### Paragraph 2

#### Obligations

## Article 35

- (1) The holders of Mining Service Business License (IUJP) shall:
  - a. Prepare and submit the work plans to the Minister or governor in accordance with their authority;
  - b. Apply the good mining technique rules;
  - c. Prioritizing the use of local goods and services as well as the local workforce; and
  - d. Submit the periodic written report on the implementation of its business activities to the Minister or the governor in accordance with their authority through the head of mining engineering.
  
- (2) The approval of the work plan and the cost budget as referred to in paragraph (1) letter a shall be granted

based on the evaluation of the results of the supervision of business activities from the previous year period.

- (3) In the application of good mining technique rules as referred to in paragraph (1) letter b, the holders of Mining Service Business License (IUJP) shall:
- a. Holding the operational responsibility as the highest leader in the field; and
  - b. Have the competent mining technical personnel in accordance with the provisions of legislation.

Paragraph 3

Prohibition

Article 36

The holders of Mining Service Business License (IUJP) are prohibited from:

- a. Have the Mining Business License (IUP), People Mining Permit, Special Mining Business License (IUPK), and Mining Business License (IUP) for Production Operation specifically for processing and/or purification; and
- b. Transfer the Mining Service Business License (IUJP) to other parties.

CHAPTER VIII  
GUIDANCE AND SUPERVISION

Article 37

- (1) The Minister or the Governor shall be in accordance with the authority to conduct the guidance and supervision on the implementation of business activities carried out by the holders of Mining Business License (IUP), Special Mining Business License (IUPK), Mining Business License (IUP) for Production Operation specifically for processing and/or purification, and Mining Service Business License (IUJP) in accordance with the provisions of legislation.
- (2) The Minister shall supervise the implementation of the management of mining business conducted by the Governor.
- (3) Further provisions regarding the guidance and supervision as referred to in paragraph (1) and paragraph (2) shall be regulated by the separate Ministerial Regulation.

CHAPTER IX  
ADMINISTRATIVE SANCTIONS

Article 38

(1) The holders of Mining Business License (IUP), Special Mining Business License (IUPK), Mining Business License (IUP) for Production Operation specifically for processing and/or purification, and Mining Service Business License (IUJP) that does not comply with or violate the provisions as referred to in Article 26 paragraph (1) letter a or up to letter y, paragraph (2), (3), paragraph (4), paragraph (5), or paragraph (6), Article 27 paragraph (1) and paragraph (2), Article 28, Article 29 letter a or up to letter f, Article 31 letter a or up to the letter t, Article 32 paragraph (1) or paragraph (2), Article 33 letter a, letter b, or letter c, Article 35 paragraph (1) letter a or up to letter d or paragraph (3) letter b, or Article 36 letter a or letter b shall be liable to administrative sanctions.

(2) The administrative sanctions as referred to in paragraph (1) shall be in the form of:

- a. Written warning
- b. Suspension of part or all of the business activity;  
and/or
- c. Revocation of permission

(3) The administrative sanctions as referred to in paragraph (2) shall be granted by the Director General on behalf of the Minister or governor in accordance with their

authority.

#### Article 39

Written warning as referred to in Article 38 paragraph (2) letter a shall be given at most 3 (three) times with warning period of 10 (ten) calendar days respectively.

#### Article 40

(1) In the case of the holders of Mining Business License (IUP), Special Mining Business License (IUPK), Mining Business License (IUP) for Production Operation specifically for processing and/or purification, and Mining Service Business License (IUJP) which received the written warning sanction after the expiry of the written warning period as referred to in Article 39 has not fulfilled its obligation, shall be liable to administrative sanction in the form of partial suspension or all business activities as referred to in Article 39 paragraph (2) letter b.

(2) The administrative sanction in the form of suspension of part or all of the business activities as referred to in paragraph (1) shall be imposed within the period of no more than 60 (sixty) calendar days.



## Article 41

Administrative sanctions in the form of revocation of permits as referred to in Article 38 paragraph (2) letter c shall be imposed on the holders of Mining Business License (IUP), Special Mining Business License (IUPK), Mining Business License (IUP) for Production Operations specifically for processing and/or purification, and Mining Service Business License (IUJP) which does not perform its obligations until the end of the period of imposition of sanctions in the form of suspension Part or all of the business activities as referred to in Article 40.

## Article 42

The Minister or governor in accordance with their authority may impose the administrative sanction in the form of revocation of permit as referred to in Article 38 paragraph (2) letter c without going through the stages of administrative sanction in the form of written warning and suspension of part or all of business activity under the certain conditions in accordance with the provisions of legislation.

## CHAPTER X

## TRANSITIONAL PROVISIONS

### Article 43

At the time this Ministerial Regulation comes into force, the mention of licenses set forth in the provisions of the prevailing laws and regulations shall be in accordance with the mention of licenses in this Ministerial Regulation.

### Article 44

When this Ministerial Regulation comes into force:

1. Licenses issued prior to the enactment of this Ministerial Regulation shall remain valid until their term of expiration and their reference shall be in accordance with the mention of the permit in this Ministerial Regulation.
2. Permit application which has been submitted to the Minister or governor in accordance with their authority before the enactment of this Ministerial Regulation shall still be processed in accordance with this Ministerial Regulation and the mention of it shall be in accordance with the mention of the permit in this Ministerial Regulation.

### Article 45

When this Ministerial Regulation comes into force:

1. The provisions concerning the approval of the work plan and the budget for the cost and change of shares and the board of directors and/or commissioners in this Ministerial Regulation shall be applied to the work contract and the coal mining concession agreement.
2. Phase of work contract activities and agreements of coal mining concession works shall be adjusted to:
  - a. Stage of exploration activities covering the general investigations, exploration and feasibility studies; and
  - b. Stage of production operations which includes the construction, mining, processing and/or purification, as well as the transportation and sales.
3. Adjustment of phase of contract of work activity and agreement of work of coal mining concession as referred to in number 2 shall be implemented within the period of no more than 6 (six) months since this Ministerial Regulation is enacted.
4. Contract of work and agreement of work of coal mining concession which still have the different activity stage

as referred to in number 2 shall be increased the activity stage into the Production Operation activities based on the work plan of all regions which have been approved by the Minister within the period of no more than 6 (six) months since this Ministerial Regulation was enacted.

5. With respect to the upgraded areas, the activity stage becomes the stage of production operations as referred to in number 4 can only be carried out the production operations as long as it meets the requirements in accordance with the provisions of legislation.

## CHAPTER XI

### CLOSING PROVISIONS

#### Article 46

When this Ministerial Regulation comes into force,

- a. Regulation of the Minister of Energy and Mineral Resources Number 18 Year 2009 regarding the Procedures for Amendment to Capital Investment in the Framework of Implementation of Work Contract and Work Agreement of Coal Mining Concession (State Gazette of the Republic of Indonesia Year 2009 Number 262);

- b. Regulation of the Minister of Energy and Mineral Resources Number 28 Year 2009 regarding Implementation of Mineral and Coal Mining Services Business (State Gazette of the Republic of Indonesia Year 2009 Number 341) as has been amended by Regulation of the Minister of Energy and Mineral Resources Number 24 Year 2012 regarding Amendment to Regulation of the Minister of Energy and Mineral Resources Number 28 Year 2009 regarding Implementation of Mineral and Coal Mining Services Business (State Gazette of the Republic of Indonesia Year 2012 Number 989)
  
- c. Regulation of the Minister of Energy and Mineral Resources Number 27 Year 2013 regarding the Procedure and Pricing of Share Divestment as well as Alteration in Capital Investment in Mineral and Coal Mining Business Undertaking (State Gazette of the Republic of Indonesia Year 2013 Number 1122)
  
- d. Regulation of the Minister of Energy and Mineral Resources Number 32 Year 2013 regarding Procedures of Issuing Special License in Mineral and Coal Mining (State Gazette of the Republic of Indonesia Year 2013 Number 1366) as has been amended by Regulation of the Minister of Energy and Mineral Resources Number 32 Year 2015 regarding Amendment to Regulation of the Minister of Energy and Mineral Resources Number 32 Year 2013 regarding Procedures of

Issuing Special License in Mineral and Coal Mining (State Gazette of the Republic of Indonesia Year 2015 Number 1584); and

- e. Decree of the Minister of Energy and Mineral Resources Number 555.K/26/M.PE/1995 regarding Occupational Safety and Health in General Mining as long related to the granting of license;

shall be revoked and declared null and void.

#### Article 47

This Ministerial Regulation shall become effective as from the date of enactment.

In order to make known to all citizens, it is hereby order to promulgate the enactment of this Ministerial Regulation in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On the date of 5 May 2017

MINISTER OF ENERGY AND MINERAL RESOURCES

THE REPUBLIC OF INDONESIA,

[signed]

IGNASIUS JONAN

Enacted in Jakarta

On the date of 9 May 2017

DIRECTOR GENERAL OF  
LAWS AND REGULATIONS  
MINISTER OF LAW AND HUMAN RIGHTS  
THE REPUBLIC OF INDONESIA

[signed]

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2017 NUMBER  
668

In conformity with the original  
MINISTRY OF ENERGY AND MINERAL RESOURCES  
Head of Legal Bureau

[signed and sealed]

Hufron Asrofi.