



MINISTER OF ENERGY AND MINERAL RESOURCES

THE REPUBLIC OF INDONESIA

REGULATION OF MINISTER OF ENERGY AND MINERAL RESOURCE

THE REPUBLIC OF INDONESIA

NUMBER 11 YEAR 2018

REGARDING

**PROCEDURE FOR THE GRANTING OF AREA, LICENSING AND REPORTING IN
THE BUSINESS ACTIVITY OF 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 order to ensure the legal certainty and business certainty and to increase the effectiveness and efficiency in the implementation of the mining business activity and to encourage the

development of business, it is necessary to re-regulated of procedure for granting of Area, licensing and Reporting in the business activity of mineral and coal mining;

- b. That on the basis of the consideration as referred to in letter a and to carry out the provision of Article 127 Law Number 4 Year 2009 regarding Mineral and Coal Mining, provision Article 21 paragraph (4), Article 38 paragraph (4) Government Regulation Number 22 Year 2010 regarding Mining Area, provision Article 19, Article 27 paragraph (2), Article 41, Article 44 paragraph (5), Article 61, Article 68, Article 83 and Article 105 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 Procedure for the Granting of Area, Licensing and Reporting in the Business Activity of Mineral and Coal Mining;

- In view of :
1. Law Number 26 Year 2007 regarding Spatial Planning (State Gazette of the Republic of Indonesia Year 2007 Number 68, Supplement to State Gazette of the Republic of Indonesia Number 4725);
 2. 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);
 3. 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);
 4. 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);

5. 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);

6. Government Regulation Number 26 Year 2008 regarding Spatial Planning for National Area (State Gazette of the Republic of Indonesia Year 2008 Number 48, Supplement to the State Gazette of the Republic of Indonesia Number 4833) as has been amended by Government Regulation Number 13 Year

2017 regarding Second Amendment of the Government Regulation Number 26 Year 2008 regarding Spatial Planning for National Area (State Gazette of the Republic of Indonesia Year 2017 Number 77, Supplement to the State Gazette of the Republic of Indonesia Number 6042);

7. Government Regulation Number 22 Year 2010 regarding Mining Area (State Gazette of the Republic of Indonesia Year 2010 Number 28, Supplement to the State Gazette of the Republic of Indonesia Number 5110);

8. 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 amended several times and most recently 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);

9. 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);

10. 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)

11. 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);

12. 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 PROCEDURE FOR THE GRANTING OF THE AREA, LICENSING AND REPORTING IN THE BUSINESS ACTIVITY OF MINERAL AND COAL MINING.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Regulation of Minister, the following definitions

shall be given to the following terms:

1. Mining Area hereinafter abbreviated to as WP, Mining Business Area hereinafter abbreviated to as WUP, People Mining Area hereinafter abbreviated to as WPR, State Conservation Area hereinafter abbreviated to as WPN, Mining Business License Area hereinafter abbreviated to as WIUP, Special Mining Business License Area hereinafter abbreviated to as WIUPK, Mining Business License hereinafter abbreviated to as IUP, Mineral, Coal, General Investigation, Exploration, Feasibility Study, Construction, Mining, Transportation, Sales, Legal Entity and Minister shall be as referred to in Law Number 4 Year 2009 regarding Mineral and Coal Mining
2. Radioactive Mineral Mining Business Area hereinafter referred to as radioactive WUP, shall be part of the WP already having available data, potentiality, and/or dominant geological information discovered in radioactive mining commodity.
3. Metal Mineral Mining Business Area hereinafter referred to as Metal Mineral WUP, shall be part of the WP already having available data, potentiality, and/or dominant geological information discovered in metal mineral mining commodity.

4. Coal Mining Business Area hereinafter referred to as Coal WUP, shall be part of the WP that already has available data, potentiality, and/or dominant geological information discovered in coal mining commodity
5. Non-Metal Mineral Mining Business Area hereinafter referred to as Non-Metal Mineral WUP, shall be part of the WP that already has available data, potentiality, and/or dominant geological information discovered in non-metal mineral mining commodity.
6. Rocks Mining Business Area hereinafter referred to as rocks WUP, shall be part of the WP already having available data, potentiality, and/or dominant geological information discovered in rocks mining commodity.
7. Business License for Metal Mineral Mining Area shall include its derivative mineral hereinafter referred to as metal mineral WIUP, shall be part of metal mineral WUP provided to Business Entity, cooperatives and individual person through tender bid.
8. Business License for Coal Mining Area, hereinafter referred to as coal WIUP, shall be part of the coal WUP provided to Business Entity, Cooperatives and individual

through tender bid.

9. Business License for Non-Metal Mineral Mining Area hereinafter referred to as non-metal mineral WIUP, shall be part of non-metal mineral WUP provided to business entity, cooperatives and individual person by means of application
10. Business license for Rock Mining Area, hereinafter referred to as rock WIUP shall be part of the rock WUP provided to business entity, cooperatives and individual person by means of application.
11. Tender bid shall be method of offering WIUP or WIUPK in the context of granting Exploration IUP, Production Operation IUP, Exploration IUPK, and/or metal mineral and coal Production Operation IUPK
12. Data shall be all facts, guidelines, indications, and information in writing (character), figure (digital), depiction or illustration, magnetic media, document, coal sampling, fluid, and other forms obtained from the result of research and study on mining, general investigation, exploration, feasibility study, construction, mining, or processing and/or purification.

13. Information System on Mining Area, hereinafter referred to as WP information system, shall be any information system that is useful to solve problem and making decision on area matter.
14. 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.
15. 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;
16. 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.
17. Special Mining Business License (IUPK) 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

18. 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.

19. Mining Business License (IUP) for Production Operation specially to transportation and sales hereinafter referred to as Mining Business License (IUP) for Production Operation specially to transportation and sales, means a business permit granted to the Company for the purchase, transport, and to sell the mineral and coal mining commodity.

20. Mining Service Business License, hereinafter abbreviated to as IUJP means license so duly granted to perform the core mining service business activities related with the

phase and/or mining business activity part;

21. Contract of Work, hereinafter abbreviated to as KK, is an agreement between the Government of the Republic of Indonesia and an Indonesian legal entity to perform mineral mining business activities.
22. Coal Mining Business Work Agreement, hereinafter referred to as PKP2B is an agreement between the government of the Republic of Indonesia and an Indonesian legal entity to runs coal mining business activities
23. Indonesian State Owned Enterprises, hereinafter abbreviated to as State-Owned Enterprise (SOE), is the State-Owned Enterprise (SOE) engaged in the mining sector in accordance with the provisions of legislation.
24. Indonesian Regional Owned Enterprises, hereinafter abbreviated to as Regional-Owned Enterprise (ROE), is the Regional-Owned Enterprise (ROE) in accordance with the provisions of legislation.
25. Domestic Capital Investment hereinafter abbreviated 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.

26. Foreign Capital Investment hereinafter abbreviated 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.
27. The Annual Work and Budget Plan , hereinafter referred to as Annual Work Plan and Budget (RKAB) are the Work and Budget Plan for the current year in business activities of mineral and coal mining, which include business, engineering, and environmental aspects.
28. The processing and/or purification activity is a mining activity performed to improve the quality of mineral and/or coal, and to utilize and obtain accessory mineral.
29. Advanced exploration is an activity performed to confirm the geological Data and information in the form of resources and/or reserves on the operational stage of production.
30. Periodic Report is a written report that shall be routinely made and delivered in a certain period of time.
31. Final Report is a written report on the final results of

an activity, which shall be made and delivered.

32. Special Report is a written report that shall be made and delivered in the case of a certain event or condition.

33. 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.

Article 2

This Scope of the Ministerial Regulation regulated the following matters:

- a. Preparation and issuance of Mining Business License Area (WIUP) and Special Mining Business License Area (WIUPK);
- b. Information system of a Mining Area (WP);
- c. Procedure for granting of WIUP and WIUPK;
- d. Procedure for granting license
- e. Rights and Obligation of a license holder; and
- f. Annual Work and Budget Plan (RKAB) and report.

CHAPTER II

PREPARATION AND ISSUANCE OF WIUP OR WIUPK

Part One

General

Article 3

- (1) An area in a mining area (WP) may be considered as a Mining Business Area (WUP) by the Ministry after a stipulation has been made by a governor through coordination with a city regent/major.

- (2) Mining Business Area (WUP) as referred to in paragraph (1) above include:
 - a. Radioactive Mining Business Area (WUP);
 - b. Metal mineral Mining Business Area (WUP);
 - c. Coal Mining Business Area (WUP);
 - d. Non-Metal Mineral Mining Business Area (WUP); and/or
 - e. Rock Mining Business Area (WUP).

Article 4

- (1) The determination of Radioactive Mining Business Area (WUP), Metal Mineral Mining Business Area (WUP), and Coal Mining Business Area (WUP) by the Minister as referred to in Article 3 Paragraph (2) may include Non-Metal Mineral Mining Business Area (WUP) and/or Rock Mining Business Area (WUP).

- (2) The Minister shall determine Metal Mineral Mining Business License Area (WIUP) and/or Coal Mining Business License Area (WIUP) in a Metal Mineral Mining Business Area (WUP) and/or Coal Mining Business Area (WUP) when all criteria have been met and in accordance with the laws and regulations.
- (3) In case of a discovery of prospective Metal Mineral or Coal commodity for business in a Radioactive Mining Business Area (WUP), Non-Metal Mineral Mining Business Area (WUP), and/or Rock Mining Business Area (WUP), the Minister shall stipulate the Metal Mineral Mining Business License Area (WIUP) and Coal Mining Business License Area (WIUP) when all criteria have been made and in accordance with the laws and regulations.
- (4) The determination of Metal Mineral Mining Business License Area (WIUP) or Coal Mining Business License Area (WIUP) as referred to in paragraph (2) and paragraph (3) shall be made based on:
 - a. a governor's proposal; and/or
 - b. a result of an investigation and research performed by the Minister or Governor.
- (5) The issuance of Metal Mineral Mining Business License Area (WIUP) or Coal Mining Business License Area (WIUP)

as referred to in paragraph (2) shall be performed simultaneously with the determined of Metal Mineral Mining Business Area (WUP) or Coal Mining Business Area (WUP).

- (6) In case of a discovery of non-Metal and/or rock Mineral commodity in a Radioactive Mining Business Area (WUP), Metal Mineral Mining Business Area (WUP), and/or Coal Mining Business Area (WUP), the Minister or governor, under his capacity, may issue a Non-Metal Mineral Mining Business License Area (WIUP) and/or Rock Mining Business License Area (WIUP) based on the application from a Business Entity, cooperatives, or individual person.
- (7) When a Metal Mineral Mining Business License Area (WIU), Coal Mining Business License Area (WIUP), Non-Metal Mineral Mining Business License Area (WIUP), and/or Rock Mining Business License Area (WIUP) will be issued at a Radioactive Mining Business Area, the Minister and governor, in his capacity, may ask for a technical consideration from a governmental institution in the field nuclear power.

Part Two

Preparation of Metal mineral or Coal Mining Business License Area (WIUP) or Special Mining Business License Area (WIUPK)

Article 5

- (1) The General Director prepares Metal Mineral Mining Business License Area or Coal Mining Business License Area at the Mining Business Area that has been set as referred to in Article 3 paragraph (1) to be auctioned to a Business Entity, cooperatives, and individual person.

- (2) The preparation of Metal Mineral Mining Business License Area or Coal Mining Business License Area as referred to in paragraph (1) in accordance with the data and information from:
 - a. The results of the investigation and research of mining performed by the Minister and/or governor in their capacities;

 - b. The results of the evaluation on Metal Mineral Mining Business License Area or Coal Mining Business License Area returned or collapsed by the Mining Business License Holder; and/or

 - c. The results of evaluation on Metal Mineral Mining Business License Area or Coal Mining Business License Area of which Mining Business License shall end or be revoked.

Article 6

The General Director prepares a Special Mining Business License Area in accordance with the data and information from:

- a. State Conservation Area of which status has changed into Special Mining Business Area (WUPK);
- b. Results of an evaluation on a Mining Business License Area (WIUP) with an expired Mining Business License (IUP);
- c. Results of an evaluation on a Special Mining Business License Area (WIUPK) with an expired Special Mining Business License (IUPK);
- d. Results of an evaluation on a Contract of Work (KK) with an expired or terminated contract;
- e. Results of an evaluation on Coal Mining Business Work Agreement (PKP2B) Area with an expired or terminated contract; and/or
- f. Results of evaluations on Mining Business License Area (WIUP), Special Mining Business License Area (WIUPK), Contract of work (KK) Area or Coal Mining Business Work Agreement (PKP2B) area returned or collapsed by the Mining Business License (IUP) holder, Special Mining Business License (IUPK) holder, Contract of Work (KK) holder, or Coal Mining Business Work Agreement (PKP2B) holder.

Article 7

- (1) The preparation of Mining Business License Area and/or Special Mining Business License Area by the General Director as referred to in Article 5 and 6 through a technical and/or economic evaluation.
- (2) During the implementation of the technical and/or economic evaluation as referred to in paragraph (1), the General Director may assign a Mining Business License Area and/or Special Mining Business License Area preparation team.
- (3) The Mining Business License Area and/or Special Mining Business License Area preparation team as referred to in paragraph (2) shall report the results of the technical and/or economic evaluation to the General Director.
- (4) The General Director, on behalf of the Minister, shall stipulate a guideline for the implementation of Mining Business License Area and/or Special Mining Business License Area preparation.

Article 8

- (1) Based on the results of the technical and/or economic evaluation as referred to in Article 7, the General Director shall prepare a proposal of Mining Business License Area and/or Special Mining Business License Area determination plan, which shall cover:
 - a. Location;
 - b. Area and borders;
 - c. Information compensation price; and
 - d. Land use information.

- (2) The proposal of Mining Business License Area and/or Special Mining Business License Area determination plan as referred to in paragraph (1) shall be coordinated among the General Director, governor, and the relevant institution in term of a request for Mining Business License Area and/or Special Mining Business License Area recommendation.

- (3) A recommendation from the governor as referred to in paragraph (2) shall contain information on the land use and cultural characteristics of the local community that based on the local wisdom, which include environmental support for Metal Mineral Mining Business License Area, Coal Mining Business License Area, Coal Mining Business License Area, and/or Special Mining Business License Area.

- (4) The governor shall coordinate with the regent/major of the city in giving the recommendation as referred to in paragraph (3).
- (5) The recommendation from a relevant institution as referred to in paragraph (2) shall contain information on the land use at the Mining Business License Area and/or Special Mining Business License Area that will be determined.
- (6) The General Director, in accordance with the results of the coordination as referred to in paragraph (2), shall propose the Mining Business License Area and/or Special Mining Business License Area to the Minister by attaching:
 - a. The coordinate of the Mining Business License Area and/or Special Mining Business License Area;
 - b. The map of the Mining Business License Area and/or Special Mining Business License Area;
 - c. The information compensation price; and
 - d. Information on land use.
- (7) The coordinate and map of the Mining Business License Area and/or Special Mining Business License Area as referred to in paragraph (6) shall be prepared in a

format as set by the General Director on behalf of the Minister.

Article 9

- (1) The information compensation price of the Mining Business License Area and/or Special Mining Business License Area as referred to in Article 8 paragraph (1) point c shall be set based on the availability of the followings:
 - a. The distribution of rock formation carrying Metal mineralization or Coal;
 - b. Data of Metal mineralization or Coal indication;
 - c. Data of Metal mineralization or Coal potential; and/or
 - d. Data of Metal Mineral or Coal reserves.

- (2) The price of information compensation of the Mining Business License Area and/or Special Mining Business License Area as referred to in paragraph (1) shall be determined in accordance with the calculation formula for information compensation price stipulated by the General Director on behalf of the Minister.

Part three

Determination of the Mining Business License Area and Special Mining Business License Area of Metal Mineral and Coal

Article 10

- (1) The Minister issues the Metal Mineral Mining Business License Area, Coal Mining Business License Area, Metal Mineral Special Mining Business License Area, and/or Coal Special Mining Business License Area in accordance with the recommendation from the General Director as referred to in Article 8 paragraph (2).
- (2) The Minister may refuse to grant the proposal of Metal Mineral Mining Business License Area and/or Coal Mining Business License Area determination from the governor based on the results of the technical and/or economic evaluation performed by the General Director.
- (3) The Metal Mineral Mining Business License Area, Coal Mineral Mining Business License Area, Metal Mineral Special Mining Business License Area, and/or Rock Special Mining Business License Area that have been determined by the Minister or governor in his capacity shall be mining allocated areas.

Article 11

- (1) In case of a discovery of non-associated and prospective Metal Mineral commodity in the Metal Mineral Mining

Business License Area or Metal Mineral Special Mining Business License, the Minister may determine a new Mining Business License Area or Special Mining Business License Area.

(2) In case of a discovery of a different and prospective Metal Mineral or Coal commodity in the location of the Metal Mineral and/or Coal Mining Business License Area, and/or Metal Mineral and/or Coal Special Mining Business License Area, the Minister may determine a new Mining Business License Area or Special Mining Business License Area.

(3) The Minister shall determine the new Mining Business License Area as referred to in paragraph (1) and (2) based on:

a. A governor's proposal; or

b. A request from a Mining Business License or Special Mining Business License holder that own the Mining Business License Area from where the different or non-associated Metal Mineral or Coal commodity is discovered.

(4) The Minister shall determine the new Mining Business License Area as referred to in paragraph (1) and (2)

based on a request from a Mining Business License or Special Mining Business License holder that own the Mining Business License Area from where the different or non-associated Metal Mineral or Coal commodity is discovered.

- (5) A Mining Business License or Special Mining Business License holder who intends to commercialize the determined Mining Business License Area or Special Mining Business License Area as referred to in paragraph (3) and (4) shall form a new Business Entity.
- (6) The criteria for the formation of a new Business Entity as referred to in paragraph (5) are not applicable for an open (go public) Business Entity.
- (7) If a Mining Business License or Special Mining Business License holder is not interested in the non-associated or different mining commodity as referred to in paragraph (1) and (2), the business opportunity may be given to another party by auction.
- (8) Such other party that get the Mining Business License Area or Special Mining Business License Area through the Auction process shall coordinate with the Mining Business License or Special Mining Business License holder as

facilitated by the Minister or governor, in his reasonable capacity.

(9) The coordination as referred to in paragraph (8) shall be performed for the sake of the preparation of mutual land use agreement.

(10) In case Metal Mineral or Coal Mining Business License Area is determined inside a Non-Metal Mineral or Rock Mining Business License Area, the holder of the Non-Metal or Rock Mining Business License Area does not have a main privilege to commercialize the Metal mineral and Coal.

(11) On behalf of the Minister, the General Director shall determine the guidelines for the implementation of Mining Business License Area or Special Mining Business License Area determination.

CHAPTER III

INFORMATION SYSTEM IN MINING AREA

Article 12

- (1) Information system in mining area aims to standardize:
- a. Coordinate system;

b. Basic map issued by a governmental institution in the field of national survey and mapping; and

c. Maps of Radioactive, Metal Mineral, Non-Metal Mineral, Rock, and/or Coal Mining Area, Mining Business Area, People's Mining Area, State Conservation Area, Mining Business License Area, or Special Mining Business License Area.

(2) Information system in Mining Area as referred to in paragraph (1) utilize geographic information system universal technology.

Article 13

(1) The mapping coordinate system of the Mining Business License Area or Special Mining Business License Area uses a geospatial reference system determined by a governmental institution in the field of geospatial.

(2) The Mining Area, Mining Business Area, People's Mining Area, State Conservation Area, Mining Business License Area, or Special Mining Business License Area shall be illustrated in a situation map in the form of a covered polygon that is defined by a parallel straight line with the latitude and longitude with the least multiple of one

per thousand seconds (0.001") and using a coordinate system as referred to in paragraph (1) and printed in portrait on F4-sized paper.

(3) The Mining Area, Mining Business Area, People's Mining Area, State Conservation Area, Mining Business License Area, or Special Mining Business License Area maps as referred to in paragraph (2) shall include:

- a. Borders;
- b. Administrative borders;
- c. Map history in the form of line scale, source of map, and map location; and
- d. Map authentication.

(4) The Mining Business License Area or Special Mining Business License Area Maps as referred to in paragraph (2) shall illustrate:

- a. Borders, coordinates, and area;
- b. Codification;
- c. Administrative borders;
- d. Map history in the form of line scale, source of map, and map location; and
- e. Map authentication.

(5) The Mining Area, Mining Business Area, People's Mining Area, State Conservation Area, Mining Business License

Area, or Special Mining Business License Area Maps Authentication as referred to in paragraph (3) point d and paragraph (4) point e shall be signed by the General Director or an officer appointed by the governor, in his reasonable capacity.

- (6) The General Director shall stipulate the guidelines for Mining Business License Area or Special Mining Business License Area codification.

CHAPTER IV

PROCEDURE OF A DETERMINATION OF A MINING BUSINESS LICENSE AREA AND SPECIAL MINING BUSINESS LICENSE AREA

Part One

Procedure of the Determination of Non-Metal Mineral and Rock Mining Business License Area

Article 14

- (1) The Minister or governor, in his reasonable capacity, shall issue a map of Non-Metal or Rock Mining Business License Area upon a reception of a request from a Business Entity, cooperatives, and individual person party that has met the requirements under the rules and regulations.

- (2) Before the determination of a Non-Metal and Rock Mining Business License Area as referred to in paragraph (1):
 - a. The Minister shall have a prior recommendation from the governor and/or the relevant governmental institution; and
 - b. The governor shall have a prior recommendation from the regent/major and/or the relevant institution.
- (3) The recommendation as referred to in paragraph (2) is in the form of several considerations that include information on the land use at the Non-Metal Mineral and Rock Mining Business License Area.
- (4) The governor or regent/major shall provide the recommendation as referred to in paragraph (2) in no later than 5 (five) business days commencing from the reception date of a request for such recommendation.
- (5) If the governor or regent/major fails to provide the recommendation referred to in paragraph (2) in five (5) business days, the determination of the Non-Metal Mineral and/or Rock Mining Business License Area shall be deemed to be given.
- (6) On behalf of the Minister or governor and in his

reasonable capacity, the General Director shall perform administrative and technical evaluations on the request from a Business Entity, cooperatives, and individual person party as referred to in paragraph (1).

(7) In accordance with the results of the administrative and technical evaluations as referred to in paragraph (6), in his capacity and in no later than 10 (ten) business days commencing from the reception date of the request, the General Director on behalf of the Minister or governor shall make a decision to accept or refuse the request for Mining Business License Area determination as referred to in paragraph (1).

(8) On behalf of the Minister or governor, and in his reasonable capacity, the General Director shall issue an instruction for payment of Non-Metal Mineral and/or Rock Mining Business License Area Reserves to the state treasury to the Business Entity, cooperatives, or individual person when their request for the Mining Business License Area determination as referred to in paragraph (7) is accepted.

(9) the Non-Metal Mineral and/or Rock Mining Business License Area shall only be determined at the Metal Mineral and/or Coal Special Mining Business License Area by the Governor

after the Minister has issued a Special Mining Business License.

Article 15

On behalf of the Minister or governor, and in his reasonable capacity, the General Director shall give a determination of a Non-Metal Mineral and Rock Mining Business License Area to the requesting party after it has provided the proof of payment of the reserve fund into the state treasury as referred to in Article 14 paragraph (8).

Article 16

- (1) prior to the issuance of the map of Non-Metal Mineral or Rock Mining Business License Area, the Governor shall coordinate with the Minister if the Mining Business License Area is located at:
 - a. a Metal Mineral and/or Coal Mining Business License Area that was determined by the Minister;
 - b. a Metal Mineral and/or Coal Mining Business License Area that has been handed to a holder of a Metal Mineral or Coal Mining Business License; and
 - c. a Metal Mineral and/or Coal Special Mining Business License Area that has been handed to a holder of a

Metal Mineral or Coal Mining Business License.

- (2) The coordination as referred to in paragraph (1) point a is to get the recommendation of the General Director.
- (3) The coordination referred to in paragraph (1) point b and c is to get the recommendation from the General Director and agreement from the holder of the Mining Business License or Special Mining Business License based on a land use agreement and/or mutual supporting facilities.

Article 17

On behalf of the Minister, the General Director shall stipulate the guidelines for Metal Mineral and/or Rock Mining Business License Area determination.

Part Two

Procedure of Metal Mineral and Coal Mining Business License

Article 18

Metal Mineral and/or Coal Mining Business License Area and/or Special Mining Business License Area that has been determined as referred to in Article 10 paragraph (1) shall be given by the Minister or governor, in his reasonable capacity, through

an Auction to a Business Entity, cooperatives, and individual person party.

Article 19

- (1) In his reasonable capacity, the Minister or governor shall announce the Auction of Metal Mineral or Coal Mining Business License Area that has been determined by the Minister as referred to in Article 18.
- (2) Such announcement shall be made in at least 1 (one) month prior to the Auction.

Article 20

The announcement of the Metal Mineral or Coal Mining Business License Area Auction shall be made for public with the following conditions:

- a. It shall be announced in at least 1 (one) local newspaper and/or 1 (one) national newspaper;
- b. It shall be announced at the ministry of Mineral and Coal office or through their official website; and/or
- c. It shall be announced at the office of the provincial government that manages Mineral and Coal or through their official website.

Article 21

The Auction of Metal Mineral and Coal Mining Business License Area shall be performed by:

- a. The Minister, if the Metal Mineral and Coal Mining Business License Area is located between two provinces or a sea area that is more than 12 (twelve) sea miles from the coastal line to the sea and/or archipelagic waters; and
- b. The governor, if the Metal Mineral and Coal Mining Business License Area is located in 1 (one) province or a sea area less or equal to 12 (twelve) sea miles from the coastal line to the sea and/or archipelagic waters.

Article 22

(1) An Auction Committee shall be arranged in relation to the implementation of the Metal Mineral or Coal Mining Business License Area Auction by:

- a. The Minister, if the Metal Mineral and Coal Mining Business License Area is located between two provinces or a sea area that is more than 12 (twelve) sea miles from the coastal line to the sea and/or archipelagic waters; and

b. The governor, if the Metal Mineral and Coal Mining Business License Area is located in 1 (one) province or a sea area less or equal to 12 (twelve) sea miles from the coastal line.

(2) On behalf of the Minister, the General Director shall stipulate the guidelines for the implementation, organization, tasks, and authorities of the members of the Auction committee.

Article 23

(1) An auction of a Metal Mineral or Coal Mining Business License Area of less than or equal to 500 (five hundred) hectares shall be participated by:

a. Business Entities, which include:

1. Regional Owned Enterprises; or
2. National private company located around the area;

b. Cooperatives; and/or

c. Private, which include:

1. Individual;
2. Limited company; or
3. Firm company.

- (2) An auction of a Metal Mineral or Coal Mining Business License Area that is more than 500 (five hundred) hectares shall be participated by:
- a. Business Entities, which include:
 - 1. State-Owned Enterprise;
 - 2. Regional Owned Enterprises;
 - 3. National private company; or
 - 4. Private Company in order to foreign capital investment; and/or
 - b. Cooperatives
- (3) On behalf of the Minister, the General Director shall stipulate the terms and conditions which are applicable for the participants of a Metal Mineral or Coal Mining Business License Area Auction as referred to in paragraph (1) and (2).

Article 24

- (1) The Auction procedure of the Metal Mineral and Coal Mining Business License Area shall be performed in 2 (two) stages, which include:
- a. Prequalification; and
 - b. Qualification.

- (2) The Metal Mineral and Coal Mining Business License Area Auction committee shall follow the Auction procedure referred to in paragraph (1) fairly, transparently, and shall encourage a healthy competition.

Article 25

- (1) The document evaluation performed in the prequalification as referred to in Article 24 paragraph (1) point a shall be implemented by:
- a. Checking the completeness of the administrative, technical, and financial requirements that have to be met by the participants of the Auction; and
 - b. Evaluating the technical requirements including the completeness, reasonability, and quality of the Data about:
 1. Experience in mining that contributes 20 % (twenty percent) to the total technical requirement;
 2. Availability of human resources that contributes 35 % (thirty five percent) to the total technical requirement; and
 3. Work plan that contributes 45 % (forty five percent) to the total technical requirement

- (2) The Auction Committee shall determine the ranks of the prospective winner of the Metal Mineral or Coal Mining Business License Area or Special Mining Business License Area by the total of:
 - a. The total value of the participant from the prequalification evaluation; and
 - b. The total value of the bid based on the ranks.
- (3) The value from the prequalification evaluation as referred to in paragraph (1) point a shall give 70 % (seventy percent) contribution.
- (4) The bid value based on ranks as referred to in paragraph (1) point b shall give 30 % (thirty percent) contribution.
- (5) In evaluating the bid price, the Auction committee shall not alter, add, and reduce the bid price statement with any reasons whatsoever.
- (6) The Auction Committee shall determine the ranks of the prospective winners of the Auction in accordance with the evaluation results as referred to in paragraph (1) up to (4), which is recorded in the minutes of the Auction.

On behalf of the Minister, the General Director shall stipulate the guidelines for the implementation of the Metal Mineral and Coal Mining Business License Area Auction.

Part Three

Determination Procedure of Special Mining Business License Area

Paragraph 1

Determination Procedure of Special Mining Business License Area by priorities.

Article 27

- (1) The Minister offers State-Owned Enterprises and Regional Owned Enterprises to obtain Metal Mineral and/or Coal Special Mining Business License Area by priority.
- (2) A state-owned enterprise or Regional Owned Enterprises that intends to commercialize the Special Mining Business License Area as referred to in paragraph (1) shall follow the administrative, technical, and financial requirements.
- (3) A Regional Owned Enterprises referred to in paragraph (1)

is a Regional Owned Enterprises established by the provincial or regional/city government located at the Special Mining Business License Area that is going to be offered.

Article 28

- (1) When an offer is made for the Special Mining Business License Area as referred to in Article 27 paragraph (1) by only 1 (one) State-Owned Enterprise that has met the conditions, the Special Mining Business License Area shall be directly given to such State-Owned Enterprise.

- (2) On behalf of the Minister, the General Director shall deliver the letter of appointment to the State-Owned Enterprise to provide share investment for Regional Owned Enterprises of at least 10 % (ten percent) subject to a condition that the State-Owned Enterprise can:
 - a. form a new Business Entity as a joint venture in no later than 90 (ninety) calendar days commencing from the appointment date; or
 - b. assign its affiliate in no later than 60 (sixty) calendar days commencing from the date of appointment.

- (3) In the provision of share investment as referred to in

paragraph (2), the State-Owned Enterprise shall coordinate with the provincial and regional/city government under which the commercialized Special Mining Business License Area is located.

- (4) If, based on the results of the coordination as referred to in paragraph (3), a Regional Owned Enterprises established by the provincial and regional/city government is interested to make the share investment as referred to in paragraph (3), the 10 % share investment shall be divided into:
 - a. 4 % (four percent) for a Regional Owned Enterprises which is established by the provincial government; and
 - b. 6 % (six percent) for a Regional Owned Enterprises which is established by the regional/city government.

- (5) If there is only 1 (one) Regional Owned Enterprises who is interested in the offer of the Special Mining Business License Area as referred to in Article 27 paragraph (1) and who has met the conditions, the Special Mining Business License Area shall be directly given to such Regional Owned Enterprises.

- (6) On behalf of the Minister, the General Director shall deliver the direct appointment letter along with the

notice that specify the rights of the Regional Owned Enterprises in commercializing the Special Mining Business License Area, which include:

- a. To directly commercialize the Special Mining Business License Area; or
- b. To form a new Business Entity as a joint venture in no later than 90 (ninety) calendar days commencing from the reception date of direct appointment letter

(7) A private business entity may invest shares in the Regional Owned Enterprises or a new Business Entity as referred to in paragraph (6) of a maximum of 49 % (forty nine percent)

Article 29

On behalf of the Minister, the General Director shall stipulate the guidelines for the determination of a Special Mining Business License Area by priority.

Paragraph 2

Procedure of Special Mining Business License Area

Determination by Auction

Article 30

- (1) The Minister may give a Special Mining Business License Area by Auction to a State-Owned Enterprise and Regional Owned Enterprises in case there are more than one (one) State-Owned or Regional Owned Enterprises that are interested in the offer of the Special Mining Business License Area as referred to in Article 27 paragraph (1).

- (2) The Minister shall offer a Special Mining Business License Area to a private Company that runs its business in Mineral or Coal Mining by Auction if:
 - a. There are not any State-Owned or Regional Owned Enterprises that are interested in the offer of the Special Mining Business License Area as referred to in Article 27 paragraph (1); and/or
 - b. There are not any State-Owned and Regional Owned Enterprises that meet the conditions as referred to in Article 27 paragraph (2).
 - c. The Minister shall announce the Auction of the Special Mining Business License Area as referred to in paragraph (2) in at least 1 (one) month prior to the Auction.

Article 31

- (1) If the Special Mining Business License Area Auction as

referred to in Article 30 paragraph (1) is won by a State-Owned Enterprise, the Minister shall announce the winner as well as gives an instruction to the winner to invest in the Regional Owned Enterprises of at least 10 % (ten percent) with the conditions that the State-Owned Enterprise may:

a. Form a new Business Entity in the form of a joint venture in no later than 90 (ninety) calendar days commencing from the determination of the winner of the Auction; or

b. Appoint its affiliate in no later than 60 (sixty) calendar dates commencing from the determination of the winner of the Auction.

(2) In making the investment as referred to in paragraph (1), the State-Owned Enterprise shall coordinate with the provincial government and regional/city government under which the commercial Special Mining Business License Area is located.

(3) If, a Regional Owned Enterprises established by the provincial government and a Regional Owned Enterprises established by the regional/city government is interested in the share investment as referred to in paragraph (1) based on the results of the coordination as referred to

in paragraph (2), the ownership of the 10 % (ten percent) shall be divided into:

- a. 4 % (four percent) for the Regional Owned Enterprises established by the provincial government; and
- b. 6 % (six percent) for the Regional Owned Enterprises established by the regional/city government.

(4) If a Regional Owned Enterprises wins the Auction of a Special Mining Business License Area as referred to in Article 30 paragraph (1), the Minister shall announce the winner and give notification that, in commercializing the Special Mining Business License Area, the Regional Owned Enterprises may:

- a. Directly operate the mining; or
- b. Form a new Business Entity as a joint venture in no later than 90 (ninety) calendar days commencing from the stipulation of the winner.

(5) The share investment made by a Private Business Entity in the Regional Owned Enterprises or a new Business Entity as referred to in paragraph (4) is at maximum of 49 % (forty nine percent).

- (1) The Minister shall announce the private Business Entity as the winner of the Auction as well as give instruction to the private Business Entity to make at least 10 % (ten percent) investment in the Regional Owned Enterprises, under a condition that the private Business Entity may:
 - a. Directly operate the Special Mining Business License Area; or
 - b. Form a new Business Entity as a joint venture in no later than 90 (ninety) calendar days commencing from the stipulation of the winner.

- (2) In the share investment referred to in paragraph (1), the private Business Entity shall coordinate with the provincial and regional/city government under which the commercialized Special Mining Business License Area is located.

- (3) If, based on the results of the coordination referred to in paragraph (2), a Regional Owned Enterprises established by the provincial government and a Regional Owned Enterprises established by the regional/city government are interested in share investment, the 10 % (ten percent) share investment shall be divided into:
 - a. 4 % (four percent) for the Regional Owned Enterprises formed by the provincial government; and

- b. 6 % (six percent) for the Regional Owned Enterprises established by the regional/city government.

Article 33

On behalf of the Minister, the General Director shall stipulate the procedure of the Special Mining Business License Area Auction as referred to in Article 30.

CHAPTER V

PROCEDURE OF THE GRANTING OF LICENSE

Part One

General

Article 34

- (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;

f. Mining Business License (IUP) for Production Operation specifically for transportation and sales; and

g. 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 35

- (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 34 paragraph (1).
- (2) The business license in the field of mineral and coal mining as referred to in Article 34 paragraph (1) shall not be used other than as intended in the granting of business license in the field of mineral and coal mining.

Part Two

Granting for Exploration Mining Business License (IUP) and
Exploration Special Mining Business License (IUPK)

Paragraph 1

General

Article 36

- (1) Exploration Mining Business License (IUP) as referred to in Article 34 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 centerline principle of the region between those two regions of the province.

Article 37

Exploration Special Mining Business License (IUPK) as referred to in Article 34 paragraph (1) letter b is given by the Minister.

Paragraph 2

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

Article 38

- (1) The application for Exploration Mining Business License (IUP) 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.

- (2) The Exploration Special Mining Business License (IUPK) application must be submitted to the Minister no later than 5 (five) working days:
 - a. The establishment of a new Business Entity as referred to in Article 28 paragraph (2), Article 31 (paragraph (6), or Article 32 paragraph (2);
 - b. Share investment of an affiliate into the Regional Owned Enterprises as referred to in Article 28

paragraph (4);

c. The giving of the Special Mining Business License Area to the Regional Owned Enterprises if it does not form a new Business Entity as referred to in Article 28 paragraph (8);

d. The Regional Owned Enterprises is stipulated as the winner of the Metal Mineral or Coal Special Mining Business License Area Auction as referred to in Article 31 paragraph (6); or

e. Private business entity is designated as the winner of the Metal Mineral Special Mining Business License Area (WIUPK) or Coal Special Mining Business License Area (WIUPK) auction as referred to in article 32 paragraph (1).

(3) In the event of any objections to the determination of the winner auction of the metal mineral Mining Business License Area (WIUP), coal Special Mining Business License Area (WIUPK) or Special Mining Business License Area (WIUPK) as referred to in paragraph (1) letter a and paragraph (2), 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 Mining Business License Area (WIUP), coal Mining Business License Area (WIUP) or Special Mining Business License Area (WIUPK) shall be correct.

Article 39

- (1) The application for Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK) as referred to in Article 34 paragraph (1) letter a and letter b 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 by the provision:

- a. after evaluated and obtaining approval of feasibility study documents from the Director General on behalf of the Minister or governor in accordance with their authority.
- b. There is not any potential of Mineral or Coal resources based on the evaluation and Data verification from the Exploration report that is made after the request for the reversion of the Exploration Mining Business License in accordance with the

applicable legislations.

- (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 (4) and its interest shall be determined to belong to the Central Government as non tax state revenue in accordance with the applicable legislations.

Paragraph 3

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

Article 40

- (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 No later than:

a. 8 (eight) years for metal mineral Exploration Mining Business License (IUP) or metal mineral Exploration Special Mining Business License (IUPK)

b. 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. 3 (three) years, for:

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

Part Three

Granting for Mining Business License (IUP) for production operation and Special Mining Business License (IUPK) for Production Operation

Paragraph 1

General

Article 41

Mining Business License (IUP) for Production Operation as referred to in Article 34 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.

Article 42

Special Mining Business License (IUPK) for Production Operation as referred to in Article 34 paragraph (1) letter d is given by the Minister.

Paragraph 2

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

Article 43

- (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.

Paragraph 3

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

Article 44

(1) Mining Business License (IUP) for Production Operation or Special Mining Business License (IUPK) for Production Operation shall cover the activities phase:

- 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 Maximum:

a. 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. 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. 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.

Article 45

(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) or Production Operation 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 Mining Business License Area (WIUP) is located in more than 1 (one) province.

(2) The Governor shall submit the document Exploration Mining Business License (IUP) or Production Operation Mining

Business License (IUP) owned by:

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

to the Minister for adjusted the Exploration Mining Business License (IUP) or Production Operation Mining Business License (IUP).

Part Fourth

Granting for Mining Business License (IUP) for Production Operation Specifically for Processing and/or Purification

Paragraph 1

General

Article 46

- (1) Mining Business License (IUP) for Production Operation specifically for processing and/or purification as referred to in Article 34 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.

Paragraph 2

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

Article 47

- (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.

Paragraph 3

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

Article 48

- (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.

Part Fifth

Granting for Mining Business License (IUP) for Production
Operation Specifically for Transportation and Sales

Paragraph 1

General

Article 49

Mining Business License (IUP) for Production Operation
specifically for Transportation and Sales as referred to in
Article 34 paragraph (1) letter f is granted by:

- a. The Minister, if the Transportation and Sale are made
across province and/or nation; or
- b. The governor, if the Transportation and Sale are made in 1
(one) province.

Paragraph 2

Procedure for the Granting of Mining Business License (IUP)
for Production Operation specifically for Transportation
and Sales

Article 50

- (1) Mining Business License (IUP) for Production Operation specifically for Transportation and Sales of mining commodities of metal mineral, non metal mineral, coal and rocks may only be provided to the Business Entity, Cooperative or individual.
- (2) In order to obtain the Mining Business License (IUP) for Production Operation specifically for Transportation and Sales as referred to in paragraph (1), business entity, cooperative or individual must meet the requirements.

Paragraph 3

Implementation of Mining Business License (IUP) for Production Operation specifically for Transportation and Sales

Article 51

- (1) Mining Business License (IUP) for Production Operation specifically for Transportation and Sales shall be given for the period 5 (five) years and may be extended for a period of 5 (five) years each time of renewal.
- (2) In order to obtain the extension as referred to in paragraph (1), the holder of Mining Business License (IUP) for Production Operation specifically for

Transportation and Sales shall apply to the Minister or governor in accordance with their authority no later than 1 (one) year before the expiry of Mining Business License (IUP) for Production Operation specifically for Transportation and Sales.

Part Sixth

Granting for Mining Service Business License

Paragraph 1

General

Article 52

The Mining Service Business License (IUJP) as referred to in Article 34 paragraph (1) letter g 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.

Paragraph 2

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

Article 53

- (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.

Paragraph 3

Implementation of Mining Service Business License (IUJP)

Article 54

- (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. reclamation and post mining; and/or
8. mining occupational safety;

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 which stipulated by Director General on behalf of Minister.

(4) 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 5 (five) years each time of renewal.

- (5) In order to obtain the extension as referred to in paragraph (4), the Mining Service Business License (IUJP) holders must submit the application to the Minister or governor in accordance with the authority no later than 1 (one) month before the expiry of the Mining Service Business License (IUJP) period.

Article 55

- (1) In the performance of the Mining activities, the holder of the Mining Service Business License is only able to receive rock/soil stripping request from a holder of Mining Business License in Operation and Production or Special Mining Business License in Production.
- (2) In order to improve the society welfare around the mine, the holder of a Mining Business License in Operation and Production or a Special Mining Business License in Operation and Production may assign the alluvial Mineral sediment excavation to the society through a partnership program with prior consent from the General Director on behalf of the Minister.
- (3) The society around the mine as referred to in paragraph (2) shall have a Mining Services Business License issued by the governor.

- (4) The partnership program as referred to in paragraph (2) shall be performed based on a cooperation agreement between the holder of the Mining Business License in Operation and Production or the Special Mining Business License in Operation and Production and the holder of the Mining Services Business License.
- (5) The partnership program set in such cooperation agreement as referred to in paragraph (4) shall be performed under the following conditions:
- a. It shall be performed at the area that has been designated by the holder of the Mining Business License or Special Mining Business License in Operation and Production;
 - b. It shall be performed by a cooperation or an individual
 - c. It shall not be performed by foreign workers; and
 - d. It shall not be performed under a transaction of alluvial Mineral that has been excavated.
- (6) 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 tunneling sub-field

Part Seventh

Licensing in Foreign Capital Investment and Mining Business License in Operation and Production for Sale

Article 56

- (1) Mining Business License in Exploration, and Operation and Production, and Special Mining Business License in Operation and Production for mining product processing and/or purification, Special Mining Business License in Operation and Production for mining product transportation and selling, and Mining Services Business License if the Foreign Capital Investment is made by the Minister.
- (2) The Governor shall deliver to the Minister the documents of the Mining Business License in Exploration, and Operation and Production, Special Mining Business License in mining product processing and/or purification, and transportation and selling, and Mining Services Business License of which status has been altered from Domestic Investment Company to Foreign-owned Indonesian Company.

- (3) The Minister shall make adjustments to the Mining Business License in Operation, and Operation and Production, and Special Mining Business License in Operation and Production for mining product processing and/or purification, and for transportation and selling, and the Mining Services Business License as referred to in paragraph (2) becoming Mining Business License or Special Mining Business License for Foreign-owned Indonesian Company.

Article 57

- (1) A Mining Business License in Operation and Production for Selling is required from a Business Entity which runs another business besides mining that intends to sell Mineral or Coal that has been excavated.
- (2) A Business Entity that provides other services besides mining as referred to in (1) refers to any Business Entity that either runs its business in the following fields:
- a. Constructions of traffic facilities and infrastructures;
 - b. Port constructions;
 - c. Tunnel constructions;
 - d. Civilian constructions; and/or

e. River, lake, and/or sea dredging.

- (3) As referred to in paragraph (1), a Business Entity that utilizes the excavated Mineral or Coal for private business is not required to have a Mining Business License in Operation and Production for selling as long as it does not intend to obtain commercial benefits.
- (4) A Business Entity that does not perform a mining business that wishes to obtain a Mining Business License in Operation and Production for selling shall file its request to the Minister or governor in accordance with their authority.

CHAPTER VI

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 58

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 fulfillment 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.

- (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 which has been obtained Mining Service Business License (IUJP) in accordance with the approval of the annual work plan and budget;
 - d. Use the foreign workers in accordance with 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 of paid up capital and placed in accordance with the approval of the annual 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 in accordance with the provisions of legislation;
- h. Apply for the application of the change and/or additional of mineral mining commodity concession which is associated at the time of submission of approval of feasibility study;
- i. accompanying minerals including the rare earth metal mineral after obtained approval of the feasibility study;
- j. Build the transport facilities, storage/ stockpiling, and purchase or use of the explosives in accordance with the approval of the annual work plan and budget;
- k. Build the storage/stockpiling of liquid fuels in accordance with the approval of the annual work plan and budget;
- l. Carry out the sleep blasting in accordance with the approval of the annual work plan and budget;
- m. 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 annual work plan and budget; and

- n. Operating the dredger/suction boat in accordance with the approval of the annual work plan and budget.
- o. Propose the facilities of import, re-export, temporary import, or transfer of goods in accordance with the Annual Work Plan and Budget to a governmental institution specializing in capital investment and customs;
- p. Propose a request for Importer Identification Number in accordance with the Annual Work Plan and Budget that has been agreed to the governmental institution that specializes in commerce;
- q. Propose a request to use the area outside the Mining Business License Area or Special Mining Business License Area to the Minister or governor, in his reasonable capacity, in order to support its mining activities;
- r. Propose a request to use the area outside the Mining Business License Area or Special Mining Business License Area to the Minister or governor, in his reasonable capacity, in order to support its mining

activities by attaching a cooperation agreement if it is located in another Mining Business License Area or Special Mining Business License Area.

s. Blend the coal from the holder of the Mining Business License or Special Mining Business License in Operation and Production or People's Mining License in accordance with the Annual Work Plan and Budget; and

t. Cooperate in utilizing facilities in order to support the activities of another holder of Mining Business License or Special Mining Business License in accordance with the Annual Work Plan and Budget

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

(3) The approval of the annual work plan and 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 legislation.

Article 60

- (1) The Holder of the Mining Business License and Special Mining Business License in Operation and Production may perform mining product Transportation and Selling to other parties that have obtained a Mining Business License (IUP) for Production Operation specifically for transportation and sales issued by the Minister or governor, in his reasonable capacity.

- (2) The Holder of Mining Business License or Special Mining Business License in Operation and Production may perform advanced Exploration Activities in order to:
 - a. Optimize the resources and/or reserves;
 - b. Maintain the reserves ration to a certain production;
and/or
 - c. Adjust to a change in the Mining method..

Paragraph 2

Obligations

Article 61

- (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 annual work plan and budget 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 annual work plan and budget and the implementation of mining business activities undertaken, including implementation of the cooperate with the holder of Mining Service Business License (IUJP);
- e. Supervise a Mining Services Company in term of applying good mining engineering.
- f. Apply principles of feasibility, transparency, and reasonability in assigning a mining services company that holder a Mining Services Business License (IUJP).
- g. Prioritizing the fulfillment of mineral and coal needs in the country and adhere to the control of production and sales;
- h. Plan and implement the reclamation and/or post-mining in accordance with the approved reclamation plan and/or post-mining plan and place the reclamation

and/or post-mining guarantees in accordance with the provisions of laws and regulations;

- i. Reported mineral or coal excavated in exploration or feasibility studies to the Minister or governor in accordance with their respective powers
- j. Manage the finances in accordance with Indonesia's accounting system;
- k. To increase the added value of mineral or coal of mining products in the country in accordance with the provisions of laws and regulations;
- 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. adhere to the tolerance limits of environmental carrying capacity;
- n. Ensure the application of environmental standards and quality standards in accordance with the characteristics of an area
- o. Preserving the sustainability of the function and carrying capacity of water resources in accordance with the provisions of legislation;

- p. 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;
- q. Putting the mark on Production Operation WIUP or Production Operation WIUPK;
- r. Comply with the technical provisions of mining operations;
- s. Apply the standard of competence of mining worker;
- t. Submit all data obtained from the activities of the exploration and production operations to the Minister or the governor in accordance with the authority;
- u. Administering every mining business activity;
- v. Prioritize the utilization of local manpower, goods and services in the country in accordance with the provisions of legislation;
- w. 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 in accordance with the provisions of legislation;

- x. To include the local businessmen around the WIUP or WIUPK in conducting the production operations in accordance with the provisions of laws and regulations;
- y. To pay the financial obligations in accordance with the laws and regulations; and
- z. Settle the rights to land with the right holder in accordance with the provisions of legislation.
- aa. Exercise the rights for the supporting facilities and infrastructures in accordance with the legislations if it utilizes any supporting facilities and infrastructures in the Mining Business License Area or Special Mining Business Area that is going to be utilized.
- bb. Draft a complete report on the Exploration and Feasibility Study, which include any changes based on the Indonesian national standard and it shall be signed by a competent person, if any, in accordance with the legislations for Metal Mineral, Non-Metal Mineral, and Coal commodity;
- cc. draft a complete report on the Exploration and Feasibility Study of the rock commodity signed by a representative of the company; and

dd. deliver a complete report on Exploration in case of an addition and change of resources based on the results of the Advanced Exploration for the holder of a Mining Business License or Special Mining Business License in Operation and Production.

(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 s, 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 in accordance with the authority to exercise some of the authority and duties of the chief inspector of mining in
- a. approving the head of mining engineering;
 - b. issuing operational oversight cards;
 - c. authorizing the head of underground mine;
 - d. issuing the explosive license cards;
 - e. approving the construction of storage facilities/
stockpiling of explosives;
 - f. approving the construction of storage facilities/
stockpiling of liquid fuels
 - g. providing the recommendations on the purchase and use
of the explosives,

- h. approving the implementation of sleep blasting;
 - i. Receive an internal and/or external audit report on to implementation of safety management system in Mineral and Coal mining;
 - j. Stipulate the achievement level of the safety management system application in mineral and coal as well as giving a recommendation in order to achieve the purposes of safety management system application in Mineral and Coal mining; and
 - k. Evaluate the report of boundaries maintenance of the Mining Business License or Special Mining Business License in operation and production that have been installed and fixed
- (8) Head of department of energy and mineral resources in the province shall involve a mining inspector who is assigned in the department in order to perform its tasks as referred to in paragraph (7).

Article 62

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 shall submit the application for the commissioning test to the Minister or governor in accordance with their authority.

Article 63

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 prior obtained approval from Minister or Governor in accordance with their authority before registered in the Ministry of Law and Human Rights.

Article 64

In the event of errors in the conduct of Mining business activities that have the direct negative impact on the community, 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 65

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;
- c. Blend the Coal generated from the Mining Business License or Special Mining Business License in Operation and Production, or People's Business License without any prior consent from the General Director or governor, in accordance with their capacity;
- d. Perform the processing and/or purification of the mining proceeds without having the IUP, People Mining Permits, or IUPK;
- e. Involving the subsidiaries and/or affiliates engaged in the field of mining services business in the conduct of mining business activities without the approval from the Director General on behalf of the Minister;
- f. Have the People Mining Permits, Mining Business License (IUP) for Production Operation specifically for processing and/or purification, Mining Business License (IUP) for

Production Operation specifically for transportation and sales, and Mining Service Business License (IUJP);

- g. Pledging the Mining Business License (IUP) or Special Mining Business License (IUPK) and/or mining commodities to other parties;
- h. Perform a General Inspection, Exploration, and Feasibility Study before the Annual Work Plan and Budget of the Mining Business License in Exploration is agreed;
- i. Perform the Construction, Mining, Processing, and/or Purification, as well as Transportation and Selling Activities, which include Advanced Exploration before the Annual Work Plan and Budget of the Mining Business License in Operation and Production is agreed;
- j. Perform mining business activities in areas prohibited by the legislations; and
- k. Transfer its Mining Business License or Special Mining Business License to another party without any prior consent from the Minister or governor in accordance with their capacity

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 66

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 cooperatives 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 67

- (1) The holders of Mining Business License (IUP) for Production Operation specifically for processing and/or purification shall:
 - a. Prepare and submit the annual work plan and budget to the Minister or the governor in accordance with the authority to obtain the approval;
 - b. Submit the periodic written reports on annual work plan and budget as well as the conduct of Mining activities undertaken;
 - c. obtained approval for use the foreign workers from the agencies that administer the affairs in the field of manpower;
 - d. obtained approval for the changes in investment and financing sources including changes in paid up capital and placed in accordance with the approval of the annual work plan and budget;
 - e. Fulfill 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 fulfillment of mineral and coal needs in the country;

h. Appoint the person in charge of engineering and environment 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 annual work plan and budget as referred to in paragraph (1) letter a, letter b 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 annual work plan and 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 68

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

- (2) The holders of Mining Business License (IUP) for Production Operation specifically for processing and/or purification if will conduct the share changes as well as the board of directors and/or commissioners shall first obtain the approval of the Minister or Governor in accordance with their authority before being registered in the Ministry of Law and Human Rights.

Paragraph 3

Prohibition

Article 69

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, Obligations and Prohibition of the Holders of Mining Service Business License (IUJP)

Paragraph 1

Right

Article 70

The holder of a Mining Services Business License (IUJP) is entitled to:

- a. Perform activities in accordance with its business field;
- b. Change its business field that is registered in the Mining Services Business License by filing a request for change

to the Minister or governor in accordance with their capacity; and

- c. Obtain Mining Services Business License extension after all requirements have been fulfilled.

Paragraph 2

Obligations

In performing its business activities, a holder of a Mining Services Business License (IUJP) shall:

- a. Prioritize its use of local products;
- b. Prioritize its use of local subcontractors based on their capacity;
- c. Prioritize its use of local workers;
- d. Perform activities in accordance with its business type and field;
- e. Perform environmental management efforts in accordance with the provisions of laws and regulations;
- f. Optimize its use of either local mining equipment or services that are required in the course of its services business activities;

- g. Perform the mining safety requirements in accordance with the provisions of laws and regulations;
- h. File and deliver a report of its activities to the issuer of the Mining Services Business License (IUJP) through a holder of Mining Business License (IUP) or Special Mining Business License (IUPK) in accordance with the provisions of laws and regulations;
- i. Appoint the person in charge of operational as the supreme leader in the field; and
- j. Have the competent Mining technical personnel in accordance with the provisions of laws and regulations

Paragraph 3

Prohibition

Article 72

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 Mining Business License (IUP) for Production Operation

specifically for Transportation and Sales; and

- b. Perform activities that are not in accordance with the Mining Services Business License (IUJP).

Part Fourth

Rights, Obligations, and Prohibition of the Mining Business License (IUP) for Production Operation specifically for Transportation and Sales

Paragraph 1

Right

Article 73

The holders of Mining Business License (IUP) for Production Operation specifically for transportation and sales shall be entitled to:

- a. Buy, transport and sell the mineral and coal mining commodities from the holders:
 - 1. Mining Business License (IUP) for Production Operation;
 - 2. Special Mining Business License (IUPK) for Production Operation;
 - 3. Mining Business License (IUP) for Production Operation specifically for processing and/or purification;

4. People Mining Permit;
5. Mining Business License (IUP) for Production Operation specifically for others transportation and sales;
6. Contract of Work; and/or
7. Coal Mining Business Work Agreement (PKP2B),

who holds a Clear and Clean certificate for a holder of a Mining Business License (IUP) that is considered to require a Clear and Clean certificate by the legislations; and

- b. Construct and/or use the Transportation and Sales facilities and infrastructure, which include stockpile, port, or special port in accordance with the provision of laws and legislations.

Paragraph 2

Obligations

Article 74

A holder of a Mining Business License (IUP) for Production Operation specifically for transportation and sales shall:

- a. Send a copy of the agreement/contract with a license holder as referred to in Article 73 point a every time it enters into a new cooperation agreement;

- b. Comply with the legislations in the field of traffic and road traffic if it uses public road facilities, which include complying with the load capacity level requirement that is adjusted with the class of the road, the traffic of the road, and traffic accident risks;
- c. File a periodic report of its business operations to the Minister or governor in accordance with their capacity every 3 (three) months or when needed; and
- d. File a report on the Verification Results issued by a surveyor in a monthly basis to the Minister or governor in accordance with their capacity in no later than 10 (ten) days after the end of the month.

Paragraph 3

Prohibition

Article 75

A holder of a Mining Business License (IUP) for Production Operation specifically for transportation and sales is prohibited to:

a. Perform any Transportation and Selling activities of mineral or coal commodity that is not originated from the area of the holder;

1. Mining Business License (IUP) for Production Operation;
2. Special Mining Business License (IUPK) for Production Operation;
3. Mining Business License (IUP) for Production Operation specifically for processing and/or purification;
4. People Mining Permit;
5. Mining Business License (IUP) for Production Operation specifically for others transportation and sales;
6. Contract of Work; and/or
7. Coal Mining Business Work Agreement (PKP2B),

who holds a Clear and Clean certificate for a holder of a Mining Business License (IUP) that is considered to require a Clear and Clean certificate by the legislations;

b. Perform any Transportation and Selling activities of Mineral or Coal commodity between provinces and/or states for a holder of Mining Business License (IUP) for Production Operation specifically for transportation and sales that is issued by the governor;

c. Purchase Mineral or Coal commodity in the mine mouth;

- d. Transfer its Mining Business License to another party; and
- e. Hold a Mining Business License, People's Mining License, Special Mining Business License, special Mining Business License in Operation and Production for processing and/or purification.

Article 76

On behalf of the Minister, a General Director shall stipulate the guidelines for:

- a. Request, evaluation, and granting of the Mining Business License and Special Mining Business License in Exploration, and Mining Business License in Operation and Production for selling;
- b. Request, evaluation, granting, and extension of Mining Business License in Operation and Production, Special Mining Business License in Operation and Production, Mining Business License in special Operation and Production for processing and/or purification, Mining Business License of special Operation and Production for transportation and selling, and Mining Services Business License;

- c. Request, evaluation, and approval of a partnership program.

CHAPTER VII

WORK PLAN, BUDGET, AND REPORT

Part One

General

Article 77

A holder of a Mining Business License and Special Mining Business License in Exploration, Mining Business License and Special Mining Business License in Operation and Production, Mining Business License in special Operation and Production for processing and/or purification shall:

- a. Draft and deliver Annual Work Plan and Budget to the Minister or governor in accordance with their capacity to obtain their consent; and
- b. Deliver a periodic written report of the Annual Work Plan and Budget as well as its performance of its business activities.

Part Two

Annual Work Plan and Budget

Paragraph 1

Delivery Procedure of
Annual Work Plan and Budget

Article 78

- (1) A holder of a Mining Business License and Special Mining Business License in Exploration, Mining Business License and Special Mining Business License in Operation and Production, and Mining Business License in special Operation and Production for processing and/or purification shall deliver the Annual Work Plan and Budget to the Minister through the General Director or governor in their capacity in the following time frame:
 - a. In no later than 30 (thirty) calendar days commencing from the issuance of the Mining Business License and Special Mining Business License in Exploration, Mining Business License and Special Mining Business License in Operation and Production, Mining Business License in special Operation and Production for processing and/or purification for the Annual Work Plan and Budget in the current year; and

b. At least 90 (ninety) calendar days and in no later than 45 (forty five) calendar days before the end of the fiscal year to get the consent.

(2) In case of a Mining Business License and Special Mining Business License in Exploration, a Mining Business License and Special Mining Business License in Operation and Production, Mining Business License in special Operation and Production for processing and/or purification shall be issued in 45 (forty five) calendar days before the end of the fiscal year, a holder of the Mining Business License and Special Mining Business License in Exploration, Mining Business License and Special Mining Business License in Operation and Production, Mining Business License in special Production and Operation for processing and/or purification shall deliver the Annual Work Plan and Budget to the Minister through the General Director or governing in accordance with their capacity to obtain the consent in the following time frame:

a. Before the performance of the Work Plan and Budget in the current year;

b. In no later than the end of the fiscal year of the following Work Plan and Budget.

Paragraph 2

Evaluation and Acceptance of Annual Work Plan
and Budget

Article 79

- (1) On behalf of the Minister or governor in accordance with their capacity, the General Director shall perform an evaluation on the Annual Work Plan and Budget that is delivered by the holder of the Mining Business License and Special Mining Business License in Exploration, and Mining Business License and Special Mining Business License in Operation and Production, and Mining Business License in special Operation and Production for processing and/or purification as referred to in Article 78.

- (2) Based on the evaluation as referred to in paragraph (1), the General Director, on behalf of the Minister or governor in accordance with their capacity, shall provide his consent or response towards the Annual Work Plan and Budget in a period of at maximum 14 (fourteen) business days commencing from the date of the completed and true Annual Work Plan and Budget Reception.

- (3) If, on behalf of the Minister or governor in accordance with their capacity, the General Director shall provide a response for the Annual Work Plan and Budget, the holder of the Mining Business License and Special Mining Business License in Exploration, Mining Business License and Special Mining Business License in Operation and Production, and Mining Business License in special Operation and Production for processing and/or purification must deliver the amendment for Annual Work Plan and Budget as referred to in paragraph (2).
- (4) On behalf of the Minister or governor in accordance with their capacity, the General Director shall give his consent for the Annual Work Plan and Budget in no later than 14 (fourteen) business days after the reception of its amendments as referred to in paragraph (3).
- (5) If, on behalf of the Minister or governor in accordance with their capacity, the General Director does not provide his consent for the Annual Work Plan and Budget within the time frame as referred to in paragraph (2) or (4), the holder of the Mining Business License and Special Mining Business License in Exploration, and Mining Business License and Special Mining Business License in Operation and Production, and Mining Business License in special Mining Business License for processing

and/or purification can perform its mining activities in accordance with the Annual Work Plan and Budget that has been delivered as referred to in Article 78 until the General Director, on behalf of the Minister or governor in accordance with their capacity, gives his consent.

Article 80

On behalf of the Minister, the General Director shall stipulate the guideline for the implementation, drafting, delivery, evaluation, and/or granting of the Annual Work Plan and Budget.

Part Three

Report

Article 81

(1) The Holder of the Mining Business License and Special Mining Business License in Exploration, and Mining Business License and Special Mining Business License in Operation and Production, Mining Business License in special Operation and Production for transportation and selling, and Mining Services Business License shall make and deliver reports, which include:

a. Periodic Report;

b. Final Report; and/or

c. Special Report

- (2) The Periodic Report as referred to in paragraph (1) point a consists of monthly and quarter reports.

Article 82

- (1) The Holder of the Mining Business License and Special Mining Business License in Exploration shall make and deliver the Periodic Report as referred to in Article 81 paragraph (1) point a to the Minister through the General Director or governor, in accordance with their capacity, based on his rights, which include:

a. Report of the Annual Work Plan and Budget;

b. Report of mining water waste quality;

c. Statistic report of mining accidents and dangerous events;

d. Statistic report of workers' diseases;

e. Report of reclamation in order of a release or closing of the reclamation facility; and

f. Internal audit report of the implementation of Safety Management System of Mineral and Coal Mining in accordance with the legislations.

- (2) The holder of the Mining Business License and Special

Mining Business License in Operation and Production shall make and deliver a Periodic Report as referred to in Article 81 paragraph (1) point a to the Minister, through the General Director or governor in accordance with his capacity, which includes:

- a. Report of the Annual Work Plan and Budget;
- b. Report of the mining water waste quality;
- c. Report of conservation;
- d. Statistic report of mining injuries and dangerous events;
- e. Statistic report of workers' diseases;
- f. Report of the reclamation in order to release or close the reclamation facility;
- g. Report of the post-mining activities in order to close the post-mining facility; and
- h. Internal audit report of the Safety Management System of Mineral and Coal Mining.

(3) The Holder of Mining Business License or Special Mining Business License in Exploration shall make and deliver the Final Report as referred to in Article 81 paragraph (1) point b to the Minister through the General Director or governor in accordance with their capacity, which include:

- a. Complete report of the Exploration; and
- b. Report of the Feasibility Study.

- (4) A Holder of Mining Business License or Special Mining Business License in Operation and Production shall make and deliver the Final Report as referred to in Article 81 paragraph (1) point b to the Minister, through the General Director or governor, in accordance with their capacity, which include:
- a. Report of the boundaries installation; and
 - b. Final report of activities of operation and production.
- (5) The holder of the Mining Business License in special Operation and Production for processing and/or purification shall make and deliver the Periodic Report as referred to in Article 81 paragraph (1) point a to the Minister, through the General Director or governor in accordance with their capacity, which include:
- a. Report of the Annual Work Plan and Budget;
 - b. Report of mining water waste quality;
 - c. Statistic report of mining accidents and dangerous events;
 - d. Statistic report of workers' diseases; and
 - e. Internal audit report of the Safety Management System implementation in Mineral and Coal Mining.
- (6) The holder of a Mining Services Business License shall

make and deliver a Periodic Report as referred to in Article 81 paragraph (1) point a to the Minister through the General Director or governor in accordance with their capacity, through a holder of Mining Business License or Special Mining Business License including:

- a. Report of mining services business activities; and
- b. Internal audit report of the Safety Management System implementation in Mineral and Coal Mining

(7) A Holder of a Mining Business License in special Operation and Production for transportation and selling shall make and deliver the Periodic Report as referred to in Article 81 paragraph (1) point a to the Minister, through the General Director or governor in accordance with their capacity, which include:

- a. Realization report of Mineral or Coal purchase; and
- b. Realization report of Mineral or Coal purchase.

Article 83

A Holder of Mining Business License and Special Mining Business License in Exploration, and Mining Business License and Special Mining Business License in Operation and Production, and Mining Business License in special Operation and Production for processing and/or purification shall make and deliver a Special Report as referred to in Article 81

paragraph (1) point c to the Minister, through the General Director or governor in accordance with their capacity, which include:

- a. Early notice of accidents;
- b. Early notice of dangerous events;
- c. Early notice of events caused by diseases that infect the workers;
- d. Report of work diseases;
- e. Report of environment;
- f. Report of mining technical study; and/or
- g. The external audit report of the Safety Management System of Mineral and Coal Mining.

Paragraph 1

Delivery Procedure of Periodic Report

Article 84

- (1) A Holder of a Mining Business License and Special Mining Business License in Exploration, Mining Business License and Special Mining Business License in Operation and Production, and Mining Business License in special Operation and Production for processing and/or purification shall deliver a Period Report in a monthly basis to the Minister through the General Director or governor in accordance with their capacity in no later

than 5 (five) calendar days from the end of a fiscal month, and 15 (fifteen) calendar days from the end of a fiscal month for the report of mining water waste quality.

- (2) The Holder of Mining Business License and Special Mining Business License in Exploration, Mining Business License and Special Mining Business License in Operation and Production, and Mining Business License in special Operation and Production for transportation and selling shall deliver a Periodic Report in a quarter basis to the Minister, through the General Director or governor in accordance with their capacity in no later than 30 (thirty) calendar days from the end of the last month in a quarter.

- (3) On behalf of the Minister, the General Director shall set the guidelines for the implementation, drafting, delivery, evaluation, and/or acceptance of report.

Paragraph 2

Delivery Procedure of Final Report

Article 85

On behalf of the Minister, the General Director shall set the

guidelines for the implementation, drafting, delivery, evaluation, and/or acceptance of the Final Report.

Part 3

Delivery Procedures of Special Report

Article 86

- (1) Holders of Exploration Mining Business License (IUP), Exploration Special Mining Business License (IUPK), Production Operation Mining Business License (IUP), Production Operation Special Mining Business License (IUPK), and Production Operation Mining Business License (IUP) specifically for processing and/or refining must submit Accident Initial Report or Incident Initial Report created as referred to in Article 83 letter "a" and letter "b" immediately after the occurrence of the accident or incident.

- (2) Holders of Exploration Mining Business License (IUP), Exploration Special Mining Business License (IUPK), Production Operation Mining Business License (IUP), Production Operation Special Mining Business License (IUPK), and Production Operation Mining Business License (IUP) specifically for processing and/or refining must submit the initial Worker Illness Incident Report created

as referred to in Article 83 letter "c" immediately after the incident caused by the illness occurs.

(3) Holders of Exploration Mining Business License (IUP), Exploration Special Mining Business License (IUPK), Production Operation Mining Business License (IUP), Production Operation Special Mining Business License (IUPK), and Production Operation Mining Business License (IUP) specifically for processing and/or refining must submit the Illness Caused by Work created as referred to in Article 83 letter "d" immediately after the diagnosis and inspection results are issued.

(4) Holders of Exploration Mining Business License (IUP), Exploration Special Mining Business License (IUPK), Production Operation Mining Business License (IUP), Production Operation Special Mining Business License (IUPK), and Production Operation Mining Business License (IUP) specifically for processing and/or refining must submit the Environmental Incident Report created as referred to in Article 83 letter "e" at the latest 1 x 24 hours after an environment incident occurs.

(5) Holders of Exploration Mining Business License (IUP), Exploration Special Mining Business License (IUPK), Production Operation Mining Business License (IUP),

Production Operation Special Mining Business License (IUPK), and Production Operation Mining Business License (IUP) specifically for processing and/or refining must submit a Mining Technical Review Report created as referred to in Article 83 letter "f" immediately before the execution of change of mining technical activity.

Paragraph 4

Procedure of Evaluation and/or Approval of Reports

Article 87

- (1) The Director General, on behalf of the Minister or Governor according to his/her authority evaluates the Monthly Report or Quarterly Report as referred to in Article 81 Paragraph (2).
- (2) According to the evaluation as referred to in Paragraph (1), The Director General, on behalf of the Minister or Governor according to his/her authority may respond to the Monthly Report or Quarterly Report.
- (3) If the Director General, on behalf of the Minister or Governor according to his/her authority, responds to the Monthly Report or Quarterly Report, Holders of Holders of Exploration Mining Business License (IUP), Exploration

Special Mining Business License (IUPK), Production Operation Mining Business License (IUP), Production Operation Special Mining Business License (IUPK), and Production Operation Mining Business License (IUP) specifically for processing and/or refining, Production Operation Mining Business License (IUP) specifically for transportation and sale must follow up the response within at the latest 5 (five) work days since the receipt of the response as referred to in Paragraph (2).

Part Fourth

Amendment to the Work Plan, Budget, and Report

Article 88

- (1) Holders of Production Operation Mining Business License (IUP), Production Operation Special Mining Business License (IUPK), or Production Operation Mining Business License (IUP) specifically for processing and/or refining may apply for 1 (one) amendment to the Annual Work Plan and Budget (RKAB) in current year if there is a change in production capacity.
- (2) The amendment to the Annual Work Plan and Budget (RKAB) as referred to in Paragraph (1) is applied for after the Holders of Production Operation Mining Business License

(IUP), Production Operation Special Mining Business License (IUPK), or Production Operation Mining Business License (IUP), specifically for processing and/or refining, submit the Second Quarterly Report, and at the latest must make the application at the latest on 31 July in the current year.

Article 89

- (1) The Director General, on behalf of the Minister or Governor according to his/her authority evaluates the amendment to the Annual Work Plan and Budget (RKAB) submitted by the Holders of Exploration Mining Business License (IUP), Exploration Special Mining Business License (IUPK), Production Operation Mining Business License (IUP), Production Operation Special Mining Business License (IUPK), Production Operation Mining Business License (IUP) specifically for processing and/or refining, as referred to in Article 88.

- (2) Based on evaluation as referred to in Paragraph (1), the Director General, on behalf of the Minister or Governor according to his/her authority approves or responds to the amendment of Annual Work Plan and Budget (RKAB) within at the latest 14 (fourteen) work days since the

proper and correct receipt of Annual Work Plan and Budget (RKAB).

(3) If the Director General, on behalf of the Minister or Governor according to his/her authority responds to the amendment to Annual Work Plan and Budget (RKAB), Holders of Exploration Mining Business License (IUP) or Exploration Special Mining Business License (IUPK) must submit corrections to the amendment to Annual Work Plan and Budget (RKAB) within at the latest 5 (five) work days since the receipt of the response to the amendment to Annual Work Plan and Budget (RKAB) as referred to in Paragraph (2).

(4) The Director General, on behalf of the Minister or Governor according to his/her authority, approves the amendment to Annual Work Plan and Budget (RKAB) within at the latest 14 (fourteen) work days since the receipt of the correction to the amendment to Annual Work Plan and Budget (RKAB) as referred to in Paragraph (3).

Article 90

Holders of Exploration Mining Business License (IUP), Exploration Special Mining Business License (IUPK), Production Operation Mining Business License (IUP), Production Operation

Special Mining Business License (IUPK), or Production Operation Mining Business License (IUP) specifically for processing and/or refining must report amendment to utilization of mining service businesses in the current year to the Minister through Director General or Governor according to his/her authority.

Article 91

Holders of Production Operation Mining Business License (IUP) or Production Operation Special Mining Business License (IUPK) must submit amendment to Feasibility Study Report if there is any amendment to technical, economic, or environmental variables according to the provisions of applicable rules and regulations.

Article 92

Director General on behalf of the Minister stipulates the Guidance for the execution, creation, submission, evaluation, and/or approval of amendments to Annual Work Plan and Budget (RKAB) and Reports.

Part Fifth

Annual Work Plan, Budget, and Reports Information System

Article 93

- (1) The Director General, on behalf of the Minister, creates the Mineral and Coal Work Plan, Budget, and Report System Information.

- (2) The Mineral and Coal Work Plan, Budget, and Report System Information as referred to in Paragraph (1) is created to:
 - a. Standardize the format:
 - 1) Work plan data and information;
 - 2) Report data and information;
 - 3) Work plan evaluation and approval; and
 - 4) Report evaluation and approval; and

 - b. Standardize the process:
 - 1) Submitting work plans and reports;
 - 2) Managing data from work plan and information; and
 - 3) Managing the work plan and report electronic files.

- (3) Annual work plan and budget (RKAB) and reports as referred to in Article 77 letter "a" and letter "b" are submitted in print (hardcopy) and electronic data (softcopy).

- (4) The Work Plan, Budget, and Report System Information as referred to in Paragraph (1) are created using universal information system technologies.

CHAPTER VIII

ADMINISTRATIVE SANCTIONS

Article 94

- (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, Mining Service Business License (IUJP), and Mining Business License (IUP) for Production Operation specifically for transportation and sales that does not comply with or violate the provisions as referred to in Article 61 paragraph (1) letter a or up to letter dd, paragraph (2) or up to paragraph (6), Article 62, Article 63, Article 64, Article 65 letter a or up to letter k, article 67 paragraph (1) letter a or up to letter t, Article 68 and paragraph (1) or paragraph (2), Article 69 letter a or up to letter c, Article 71 letter a or up to letter j, Article 72 letter a or letter b, Article 74 letter b or up to letter d, Article 75 letter b or up to letter e, Article 77 letter a or letter b, Article 78 paragraph (1) or paragraph (2), Article 79

paragraph (3), Article 81 paragraph (1) or up to paragraph (2), Article 82 paragraph (1) or up to paragraph (7), Article 83 letter a or up to letter g, Article 84 paragraph (1) or up to paragraph (2), Article 86 paragraph (1) or up to paragraph (5), Article 87 paragraph (3), Article 88 paragraph (3), Article 90, and Article 91 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 95

Holders of Mining Business License (IUP) for Production Operation specifically for transportation and sales, who fail to comply with or who violate provisions as referred to in

Article 74 letter "a" or Article 75 letter "b" are imposed with administrative sanction in the form of revoking of permits.

Article 96

Written warning as referred to in Article 94 paragraph (2) letter a shall be given at most 3 (three) times with warning period of 30 (thirty) calendar days respectively.

Article 97

(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, Mining Service Business License (IUJP), and Mining Business License (IUP) for Production Operation specifically for transportation and sales which received the written warning sanction after the expiry of the written warning period as referred to in Article 94 paragraph (2) letter a 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 94 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 98

Administrative sanctions in the form of revocation of permits as referred to in Article 94 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, Mining Service Business License (IUJP), and Mining Business License (IUP) for Production Operation specifically for transportation and sales 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 97 paragraph (2).

Article 99

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 94 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 relation with:

- a. Criminal violations perpetrated by the Holders of Mining Business License (IUP) or Special Mining Business License (IUPK) based on court judgment;
- b. Results of the Minister's evaluation of the Production Operation Mining Business License (IUP), issued by the Governor, that environmental damages have been caused and good mining principles are not applied;
- c. Administrative violations as referred to in Article 95 of this Ministerial Regulation; or
- d. The results of the evaluation for the issuance of Mining Business License (IUP) performed by Minister/Governor according to his/her authority;

According to the provisions of applicable rules and regulations.

CHAPTER IX

OTHERS PROVISIONS

Article 100

- (1) Holders of Metal Mineral Contract of Work (KK) who are changing the form of mining business into Production Operation Special Mining Business License (IUPK) must apply to the Minister through the Director General.
- (2) The application as referred to in Paragraph (1) must be attached with:
 - a. Area maps and coordinate borders according to provisions of applicable rules and regulations;
 - b. Proof of complete payment of fixed fees and production fees; and
 - c. Annual work plan and budget (RKAB).

Article 101

- (1) The Director General, on behalf of the Minister evaluates the application as referred to in Article 100.
- (2) Minister issues the Production Operation Special Mining Business License (IUPK) based on the results of evaluation as referred to in Paragraph (1), if the applicant to Production Operation Special Mining Business License (IUPK) has satisfied the provisions of applicable rules and regulations.

Article 102

The provisions in the contract of work (KK) and other agreement documents between the Government and the Holders of contract of work (KK) is an inseparable part of the issuance of Production Operation Special Mining Business License (IUPK) as referred to in Article 100, and such Special Mining Business License (IUPK) shall remain valid until the time stipulated in the Production Operation Special Mining Business License (IUPK).

Article 103

- (1) Production Operation Special Mining Business License (IUPK) as referred to in Article 100 shall be issued for a period according to the remaining validity period of Metal Mineral contract of work (KK).
- (2) Production Operation Special Mining Business License (IUPK) as referred to in Paragraph (1) may be extended 2 (two) times for 10 (ten) years each, according to provisions of applicable rules and regulations.
- (3) Production Operation Special Mining Business License (IUPK) as referred to in Paragraph (1) has rights and obligations according to the provisions of applicable

rules and regulations, unless stipulated otherwise as referred to in Article 102.

- (4) In the execution of Production Operation Special Mining Business License (IUPK), all of the approval issued by the Central Government and Regional Government shall remain applicable, as long as they do not conflict with the provisions of applicable rules and regulations.

Article 104

The Director General, on behalf of the Minister stipulates the Guidance for the Procedures for the application, evaluation, and approval Production Operation Special Mining Business License (IUPK) resulting from the amendment to the Metal Mineral contract of work (KK) business form.

Article 105

- (1) Holders of contract of work (KK) or Coal Mining Business Work Agreement (PKP2B) whose validity is about to expire, must submit application to become Extended Production Operation Special Mining Business License (IUPK) to the Minister through the Director General within at the earliest 2 (two) years and at the latest 6 (six) months

before the expiration of the contract of work (KK) or Coal Mining Business Work Agreement (PKP2B).

- (2) The application as referred to in Paragraph (1) must satisfy at a minimum the following requirements:
 - a. Administrative;
 - b. Technical;
 - c. Environmental; and
 - d. Financial.

Article 106

- (1) The Director General, on behalf of the Minister, evaluates the application as referred to in Article 105.
- (2) The Minister may approve or reject the application of the Extended Production Operation Special Mining Business License (IUPK) based on the results of the evaluation as referred to in Paragraph (1).
- (3) The approval or rejection of the Extended Production Operation Special Mining Business License (IUPK) as referred to in Paragraph (2) is made within at the latest 2 (two) months before the KK or PKP2B expires.

Article 107

The Extended Production Operation Special Mining Business License (IUPK) as referred to in Article 105 is:

- a. The First Extended Production Operation Special Mining Business License (IUPK) for an application submitted by Holders of KK or PKP2B who have not obtained extension; or
- b. The Second Extended Production Operation Special Mining Business License (IUPK) for an application submitted by Holders of KK or PKP2B who have obtained the First Extension before.

Article 108

- (1) Extended Production Operation Special Mining Business License (IUPK) is provided for 10 (ten) years.
- (2) The First Extended Production Operation Special Mining Business License (IUPK) as referred to in Paragraph (1) may be extended 1 (one) time for 10 (ten) years, according to provisions of applicable rules and regulations.

Article 109

Extended Production Operation Special Mining Business License

(IUPK) as referred to in Article 105 has rights and obligations according to provisions of applicable rules and regulations.

Article 110

The Director General, on behalf of the Minister, stipulates the Guidelines for the application, evaluation, and approval of Extended Production Operation Special Mining Business License (IUPK).

CHAPTER X

TRANSITIONAL PROVISIONS

Article 111

When this Ministerial Regulation comes into force:

- a. Holders of Production Operation Mining Business License (IUP) specifically for processing and/or refining, must already have a Mining Technical Chief appointed by the Mining Chief Inspector, who is acknowledged as the technical and environmental person in charge according to the provisions of this Ministerial Regulation;
- b. The approval for the alluvial mineral partnership program issued by the Minister remains valid until the validity

period ends, and must adjust to the provisions of this Ministerial Regulation;

- c. Registration certificate is no longer required for performing non-core mining service activities;
- d. Holders of Transportation and Sale Registration Certificates issued before the enactment of this Ministerial Regulation must apply for adjustment to Production Operation Mining Business License (IUP) specifically for transportation and sale, to the Minister or Governor according to his/her authority, by completing the requirements according to the provisions of this Ministerial Regulation within at the latest 6 (six months) since the enactment of this Ministerial Regulation;
- e. Annual Work Plan and budget which has been submitted and/or has been approved by Minister through the Director General or Governor in according to the authority before the enactment of this Ministerial Regulation shall acknowledged as the implementation basis for the mining activity, and must be adjusted with this Ministerial Regulation especially related to the type of permit which approval issued in the Annual Work Plan and Budget (RKAB);
- f. The provisions concerning the approval of the annual work

plan and the budget and change of shares and the board of directors and/or commissioners in this Ministerial Regulation shall be applied to the work of contract (KK) and the Coal Mining Business Work Agreement (PKP2B).

- g. Phase of work of contract (KK) activities and Coal Mining Business Work Agreement (PKP2B) shall be adjusted to:
 - 1. Stage of exploration activities covering the general investigations, exploration and feasibility studies; and
 - 2. Stage of production operations which includes the construction, mining, processing and/or purification, as well as the transportation and sales.
- h. Adjustment of phase of contract of work activity and Coal Mining Business Work Agreement (PKP2B) as referred to in letter f shall be implemented within the period of no more than 6 (six) months since this Ministerial Regulation is enacted.
- i. Contract of work (KK) and Coal Mining Business Work Agreement (PKP2B) which still have the different activity stage as referred to in letter f 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.

- j. With respect to the upgraded areas, the activity stage becomes the stage of production operations as referred to in letter h can only be carried out the production operations as long as it meets the requirements in accordance with the provisions of legislation.
- k. Recommendation of registered/approved pure lead bar exporters from the authorities in charge of governmental affairs in trade, is no longer required as the basis to obtain acknowledgement as registered/approved pure lead bar exporters;
- l. Recommendation of Registered Exporters of Coal from the authorities in charge of governmental affairs in trade, is no longer required as the basis to obtain acknowledgement as Registered Exporters of Coal;

Article 112

When this Ministerial Regulation comes into force:

- a. The Clear and Clean Status, and/or the Clear and Clean Certificate already issued, remain valid;

- b. Non-metal Mineral Mining Business License (IUP) and Rock Mining Business License (IUP) issued before the enactment of this Ministerial Regulation does not require Clear and Clean Status and/or Clear and Clean Certificate; and
- c. Mining Business License (IUP) issued after the enactment of this Ministerial Regulation does not require Clear and Clean Status.

CHAPTER XI

CLOSING PROVISIONS

Article 113

The Work Plan and Report Information System as referred to in Article 93 is determined within at the latest 2 (two) years since the enactment of this Ministerial Regulation.

Article 114

When this Ministerial Regulation comes into force,

- a. Decree of the Minister of Energy and Mineral Resources Number 1453.K/29/MEM/2000 regarding Technical Guidelines of the Implementation of Government Duty on General Mining;

- b. Regulation of the Minister of Energy and Mineral Resources Number 12 Year 2011 regarding Procedures for Determination of the Mining Business Area and Information System of the Mineral and Coal Mining Area (State Gazette of the Republic of Indonesia Year 2011 Number 487);

- c. 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 Metal Mineral and Coal Mining Business Activities (State Gazette of the Republic of Indonesia Year 2013 Number 1123)

- d. Regulation of the Minister of Energy and Mineral Resources Number 25 Year 2016 regarding Amendment to the Regulation of the Minister of Energy and Mineral Resources Number 12 Year 2011 regarding Procedures for Determination of the Mining Business Area and Information System of the Mineral and Coal Mining Area (State Gazette of the Republic of Indonesia Year 2016 Number 1471)

- e. Regulation of the Minister of Energy and Mineral Resources Number 15 Year 2017 regarding Procedures for the Granting of Special Mining business License for Production Operation further to Contract of Work Operation or Coal Mining Business Work Agreement (State Gazette of the

Republic of Indonesia Year 2017 Number 267);

- f. Regulation of the Minister of Energy and Mineral Resource Number 34 Year 2017 regarding Licensing in Mineral and Coal Mining (State Gazette of the Republic of Indonesia Year 2017 Number 668);
- g. Regulation of the Director General of Mineral and Coal Number 714.K/30/DJB/2014 dated 12 August 2014 regarding Procedures and Requirements of Granting for Recommendation of Registered Exporters of Coal;
- h. Regulation of the Director General of Mineral and Coal Number 841.K/30/DJB/2015 dated 31 July 2015 regarding Procedures and Requirements of Granting for Recommendation of Registered Exporters and Approval of the Export of Pure Lead Bar;

shall be revoked and declared null and void.

Article 115

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 19 February 2018

MINISTER OF ENERGY AND MINERAL RESOURCES

THE REPUBLIC OF INDONESIA,

[signed]

IGNASIUS JONAN

Enacted in Jakarta

On the date of

DIRECTOR GENERAL OF

LAWS AND REGULATIONS

MINISTRY OF LAW AND HUMAN RIGHTS

THE REPUBLIC OF INDONESIA

[signed]

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2018 NUMBER

In conformity with the original
MINISTRY OF ENERGY AND MINERAL RESOURCES

Head of Legal Bureau

[signed and sealed]

Hufron Asrofi

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