



**MINISTER OF ENERGY AND MINERAL RESOURCES
THE REPUBLIC OF INDONESIA**

**REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES
THE REPUBLIC OF INDONESIA
NUMBER 7 OF 2020**

**CONCERNING
THE PROCEDURES FOR GIVING THE REGION, LICENSING, AND REPORTING
ON THE MINERAL AND COAL MINING BUSINESS ACTIVITIES BY THE
GRACE OF GOD ALMIGHTY**

**MINISTER OF ENERGY AND MINERAL RESOURCES THE REPUBLIC OF
INDONESIA**

- Considering :
- a. that in order to guarantee the legal certainty, business certainty, increase the effectiveness, and efficiency in the implementation of mining business activities and encourage the development of concessions, it is necessary to re-regulate the provisions on the procedure for granting territories, permits and reporting on mineral and coal mining business activities;
 - b. that the provisions of Regulation of the Minister of Energy and Mineral Resources Number 11 of 2018 concerning the Procedures for Granting the Areas, Licensing and Reporting on Mineral and Coal Mining Business Activities as amended several times, the latest by the Minister of Energy and Mineral Resources Regulation Number 51 of 2018 concerning the second Amendment, Regulation of the Minister of Energy and Mineral Resources Number 11 of 2018 concerning the Procedures for Granting the Areas, Licensing and Reporting on Mineral and Coal Mining Business Activities, needs to be adjusted;

- c. that based on the considerations referred to in paragraphs a and b, and to implement the provisions of Article 127 of Law Number 4 of 2009 concerning the Mineral and Coal Mining, the provisions of Article 21 paragraph (4), Article 38 paragraph (4) Government Regulation Number 22 of 2010 concerning the Mining Areas, and the provisions of Article 19, Article 27 paragraph (2), Article 41, Article 44 paragraph (5), Article 61, Article 68, Article 83, and Article 105 Government Regulation Number 23 Year 2010 concerning the Implementation of Mining Business Activities Minerals and Coal as amended several times, most recently by Government Regulation Number 8 of 2018 concerning the Fifth Amendment of Government Regulation Number 23 of 2010 concerning the Implementation of Mineral and Coal Mining Business Activities, it is necessary to stipulate a Minister of Energy and Mineral Resources Regulation concerning Procedures for Granting Areas , Licensing and Reporting on Mineral and Coal Mining Business Activities;

- Remembering:
1. Article 17 paragraph (3) of the 1945 Constitution the Republic of Indonesia;
 2. Law Number 26 of 2007 concerning the Spatial Planning (State Gazette of the Republic of Indonesia of 2007 Number 68, Supplement to State Gazette of the Republic of Indonesia Number 4725);
 3. Law Number 40 of 2007 concerning the Limited Liability Companies (State Gazette of the Republic of Indonesia of 2007 Number 106, Supplement to the State Gazette of the Republic of Indonesia Number 4756);
 4. Law Number 4 of 2009 concerning the Mineral and Coal Mining (State Gazette of the Republic of Indonesia Number 4 of 2009, Supplement to State Gazette of the Republic of Indonesia Number 49)

5. Law Number 32 of 2009 concerning the Environmental Protection and Management (State Gazette of the Republic of Indonesia of 2009 Number 140, Supplement to State Gazette of the Republic of Indonesia Number 5059);
6. Law Number 23 of 2014 concerning the Regional Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times, most recently by Law Number 9 of 2015 concerning the Second Amendment to the Law Number 23 of 2014 concerning the Regional Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to State Gazette of the Republic of Indonesia Number 5679);
7. Government Regulation No. 26/2008 concerning the National Spatial Planning (Statute Book of the Republic of Indonesia No. 48/2008, Supplement to Statute Book of the Republic of Indonesia No. 4833) as amended by Government Regulation No. 13 of 2017 concerning the Amendment to Government Regulation No. 26 of 2008 concerning the National Spatial Planning (State Gazette of the Republic of Indonesia of 2017 Number 77, Supplement to State Gazette of the Republic of Indonesia Number 6042);
8. Government Regulation No. 22/2010 concerning the Mining Areas (Statute Book No. 28/2010, Supplement to Statute Book No. 5110);
9. Government Regulation Number 23 of 2010 concerning the Implementation of Mineral and Coal Mining Business Activities (State Gazette of the Republic of Indonesia of 2010 Number 29, Supplement to State Gazette of the Republic of Indonesia Number 5111) as amended several times, most recently by Government Regulation Number 8 of 2018 concerning the fifth Amendment, Government Regulation Number 23 of 2010 concerning the Implementation of Mineral and Coal Mining

- Business Activities (State Gazette of the Republic of Indonesia 2018 Number 28, Supplement to State Gazette of the Republic of Indonesia Number 6186);
10. Government Regulation Number 55 of 2010 concerning the Development and Supervision of Implementation Management of Mineral and Coal Mining Businesses (State Gazette of the Republic of Indonesia of 2010 Number 85, Supplement to State Gazette of the Republic of Indonesia Number 5142);
 11. Government Regulation Number 78 of 2010 concerning the Reclamation and Post-Mining (State Gazette of the Republic of Indonesia of 2010 Number 138, Supplement to State Gazette of the Republic of Indonesia Number 5172);
 12. Presidential Regulation Number 68 of 2015 concerning the Ministry of Energy and Mineral Resources (State Gazette of the Republic of Indonesia Year 2015 Number 132) as amended by Presidential Regulation Number 105 of 2016 concerning the Amendments to Presidential Regulation Number 68 of 2015 concerning the Ministry of Energy and Resources Mineral (State Gazette of the Republic of Indonesia of 2016 Number 289);
 13. Regulation of the Minister of Energy and Mineral Resources Number 13 of 2016 concerning the Organization and Work Procedure of the Ministry of Energy and Mineral Resources (State Gazette of the Republic of Indonesia of 2016 Number 782);

DECIDED:

To enact : REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES CONCERNING THE PROCEDURES FOR GIVING THE REGION, LICENSING, AND REPORTING ON MINERAL AND COAL MINING BUSINESS ACTIVITIES.

**CHAPTER I
GENERAL REQUIREMENTS
Article 1**

In this Ministerial Regulation what is meant by:

1. Mining Areas hereinafter abbreviated as WP, Mining Business Areas hereinafter abbreviated as WUP, People's Mining Areas hereinafter abbreviated as WPN, State Reserve Areas hereinafter abbreviated as SRA, Mining Business License Areas hereinafter abbreviated WIUP, Special Mining Business License Areas hereinafter abbreviated WIUPK, Mining Business License, hereinafter abbreviated as IUP, Mineral, Coal, General Investigation, Exploration, Feasibility Study, Construction, Mining, Transportation, Sales, Business Entity, and Minister are referred to in Law Number 4 of 2009 concerning the Mineral Mining and Coal.
2. Radioactive Mineral Mining Business Area, hereinafter referred to as Radioactive WUP, is a part of WP that already has the availability of data, potential, and / or geological information which are dominantly contained in radioactive mining commodities.
3. Metal Mineral Mining Business Area, hereinafter referred to as Metal Mineral WUP, is a part of WP that already has the availability of data, potential, and/or geological information which are dominantly contained in metal mineral mining commodities.
4. Coal Mining Business Area, hereinafter referred to as Coal MBA, is a part of MA that already has the availability of data, potential, and / or geological information which are dominantly contained in coal mining commodities.
5. Non-Metallic Mineral Mining Business Area, hereinafter referred to as Non-Metallic Mineral WUP, is a part of WP that already has availability of data, potential, and / or geological information that predominantly contains non-metallic mineral mining commodities.
6. Rock Mining Business Area, hereinafter referred to as WUP Batuan, is a part of WP that already has the availability of data, potential, and / or geological information which are dominantly contained in rock mining commodities.
7. Metal Mineral Mining Business Permit Area, including its Derivatives Mineral, hereinafter referred to as Metal Mineral WIUP is a part of Metal Mineral WUP granted to Business Entities, cooperatives, and individuals through auctions.

8. Coal Mining Business Permit Area, hereinafter referred to as Coal WIUP, is a part of Coal WP is granted to Business Entities, cooperatives, and individuals through auctions.
9. Non-Metallic Mineral Mining Business License Area, hereinafter referred to as Non Metallic Mineral WIUP, is a part of Non-Metallic Mineral WUP granted to Business Entities, cooperatives, and individuals through application.
10. Rock Mining Business Permit Area, hereinafter referred to as Rock WIUP, is part of Rock WUP granted to Business Entities, cooperatives, and individuals through application.
11. Auction is a method of offering WIUP or WIUPK in the context of granting Exploration IUP, Production Operation IUP, Exploration IUPK, and/or Metal and Coal mineral Production Operation IUPK.
12. Data are all facts, instructions, indications, and information in written form (characters), numbers (digital), pictures (analog), magnetic media, documents, rock samples, fluid, and other forms obtained from the results of investigation activities and mining research, general investigation, exploration, Feasibility Study, Construction, Mining, or processing and / or purification.
13. Mining Area Information System, hereinafter referred to as WP Information System, is an information system that is built integrally to process WP Data into useful information to solve the problems and make the decisions about the territory.
14. Exploration Mining Business Permit, hereinafter referred to as Exploration IUP, is a business permit granted to carry out the stages of General Investigation, Exploration and Feasibility Study activities.
15. Exploration Special Mining Business Permit, hereinafter referred to as Exploration IUPK, is a business permit granted to carry out the stages of the General Investigation, Exploration and Feasibility Study activities in the special mining business permit area.
16. Production Operation Mining Business License, hereinafter referred to as Production Operation IUP, is a business permit granted after the completion of an Exploration IUP to carry out the stages of production operation activities.
17. Production Mining Special Business License, hereinafter referred to as Production Operation IUPK is a business

permit granted after the completion of the Exploration IUPK to carry out the stages of production operations.

18. Special Mining Business Permit Special Production Operations for Processing and/or Purification, hereinafter referred to as Special Production Operation IUP for Processing and / or Refining, is a business permit granted to purchase, transport, process, and purify including selling mineral or coal mining commodities produced preparations.
19. Special Mining Business Permits for Special Production Operations for Transportation and Sales, hereinafter referred to as Special Production Operation IUP for Transportation and Sales.
20. Mining Service Business License, hereinafter abbreviated as IUJP, is a license granted to conduct core mining service business activities related to the stages and / or parts of mining business activities.
21. Work Contract, hereinafter abbreviated as KK, is an agreement between the Government of the Republic of Indonesia and Indonesian legal entities to carry out the mineral mining business activities.
22. Coal Mining Work Agreement hereinafter referred to as PKP2B is an agreement between the Government of the Republic of Indonesia and Indonesian legal entities to carry out the coal mining business activities.
23. State-Owned Enterprises, hereinafter abbreviated as BUMN are BUMN engaged in mining in accordance with statutory provisions.
24. Regionally-Owned Enterprises, hereinafter abbreviated as BUMD, are BUMD in accordance with statutory provisions.
25. Domestic Investment, hereinafter referred to as PMDN, is an investment activity to conduct business in the territory of the Republic of Indonesia carried out by domestic investors using domestic capital.
26. Foreign Investment, hereinafter referred to as PMA, is an investment activity to conduct the business in the territory of the Republic of Indonesia carried out by foreign investors, both those who use foreign capital fully or who are joint venture with domestic investors.
27. Annual Work Plan and Budget hereinafter referred to as Annual RKAB is the work plan and current year budget for mineral and coal mining business activities which includes the business aspects, technical aspects, and environmental aspects.

28. Processing and/or Refining are mining business activities to improve the quality of minerals and/or coal and to utilize and obtain the associated minerals.
29. Advanced Exploration is an activity for improving the status of confidence Geological data and information in the form of resources and / or reserves at the stage of production operations.
30. Periodic Report is a written report that shall be compiled and submitted routinely within a certain period.
31. Final Report is a written report that shall be compiled and submitted regarding the final results of an activity carried out.
32. Special report is a written report that must be compiled and submitted in the event that there are certain events or conditions.
33. Director General is the director general who has the task of carrying out the formulation and implementation of policies in the field of guidance, control and supervision of mineral and coal activities.

Article 2

The scope of this Ministerial Regulation regulates:

- a. preparation and stipulation of WIUP and WIUPK;
- b. WP Information System;
- c. the procedure for granting WIUP and WIUPK;
- d. procedures for granting the permits;
- e. rights, obligations and prohibitions of permit holders; and
- f. Annual Work Plan and report.

CHAPTER II

PREPARATION AND DETERMINATION OF WIUP OR WIUPK

Part One

General

Article 3

- (1) The area in the WP can be determined to be a WUP by the Minister after being determined by the governor based on the results of coordination with the regent / mayor.
- (2) WUP as referred to in paragraph (1) consists of:
 - a. Radioactive WUP;
 - b. Metal Mineral WUP;
 - c. Coal WUP;
 - d. Non-Metallic Mineral WUP; and / or
 - e. Rock WUP.

Article 4

- (1.) Determination of Radioactive WUP, Metal Mineral WUP and Coal WUP by the Minister as referred to in Article 3 paragraph (2) may be with the non-metal mineral WUP and/or rock WUP.
- (2.) The Minister shall determine the Metal Mineral WIUP and / or Coal WIUP in Metal Mineral WUP and / or Coal WUP after fulfilling the criteria in accordance with statutory provisions.
- (3.) In the case of Radioactive WUP, Non-Metallic Mineral WUP, and / or Rock WUP, metal mineral or coal mining commodity groups are found to have the prospects to be cultivated, the Minister shall determine Metal Mineral WIUP or Coal WIUP after fulfilling the criteria in accordance with statutory provisions -invitation.
- (4.) Determination of Metal Mineral WIUP or Coal WIUP as referred to in paragraph (2) and paragraph (3) is based on:
 - a. Governor's proposal; and / or
 - b. the results of investigations and research conducted by the Minister or governor.
- (5.) Determination of Metal Mineral WIUP or Coal WIUP as referred to in paragraph (2) shall be carried out simultaneously with the determination of Metal Mineral WUP or Coal WUP.
- (6.) In the case of Radioactive WUP, Metal Mineral WUP, and/or Coal WUP, non-metal mineral and / or rock mining commodity groups are found, the Minister or governor in accordance with his authority may provide Non-Metal Mineral WIUP and / or Rock WIUP based on the application business entity, cooperative, or individual.
- (7.) In the case of Radioactive WUP, Metal Mineral WIUP, Coal WIUP, Non-Metal Mineral WIUP and / or Rock WIUP, the Minister and the governor in accordance with their authority shall request the technical considerations from the agency that conducts government affairs in the nuclear sector.

The second part

Preparation of Metal Mineral or Coal WIUP or WIUPK

Pasal 5

- (1.) The Director General prepares the Metal Mineral WIUP or Coal WIUP in the WUP that has been stipulated as

referred to in Article 3 paragraph (1) to be offered by auction to Business Entities, cooperatives, and individuals.

- (2.) Preparation of Metal Mineral WIUP or Coal WIUP as referred to in paragraph (1) based on Data and information originating from:
 - a. results of mining investigation and research activities carried out by the Minister and / or governor in accordance with their authority;
 - b. evaluation of Metal Mineral WIUP or Coal WIUP returned or shortened by the IUP holder; and / or
 - c. the results of an evaluation of Metal Mineral WIUP or Coal WIUP whose IUP ends or is revoked.

Article 6

The Director General prepares WIUPK based on data and information from:

- a. WPN which has changed its status to WUPK;
- b. the results of an evaluation of WIUP whose IUP has ended;
- c. the results of the evaluation of WIUPK whose IUPK has ended;
- d. the results of the evaluation of the COW areas whose contracts have expired or are terminated;
- e. the results of an evaluation of PKP2B areas where the agreement has ended or has been terminated; and / or
- f. the results of evaluations of WIUP, WIUPK, KK areas, or PKP2B areas returned or shortened by IUP holders, IUPK holders, KK holders, or PKP2B holders.

Article 7

- (1.) WIUP and/or WIUPK preparation by the Director General as referred to in Article 5 and Article 6 shall be carried out through technical and/or economic evaluation.
- (2.) In carrying out the technical and/or economic evaluations, as referred to in paragraph (1), the Director General may form a WIUP and/or WIUPK preparation team.
- (3.) WIUP and/or WIUPK preparation the team as referred to in paragraph (2) reports the results of technical and/or economic evaluations to the Director General.
- (4.) Guidelines for implementing the preparation of WIUP and/or WIUPK are stipulated in a Ministerial Decree.

Article 8

- (1) Based on the results of technical and/or economic evaluations as referred to in Article 7, the Director General shall prepare a proposed plan for the determination of WIUP and/or WIUPK which contains:
 - a. location;
 - b. area and boundary;
 - c. price compensation data information; and
 - d. land use information.
- (2) The proposed plan for the determination of WIUP and / or WIUPK as referred to in paragraph (1) is coordinated by the Director General with the governor and related agencies in the context of requesting recommendations for WIUP and/or WIUPK.
- (3) The recommendation by the governor as referred to in paragraph (2) contains information regarding land use and cultural characteristics of the community based on local wisdom, including the carrying capacity of the environment in Metal WIUP, Coal WIUP, and/or WIUPK.
- (4) The Governor in providing the recommendations as referred to in paragraph (3) must obtain a recommendation from the regent/mayor.
- (5) The regent/mayor provides the recommendations as referred to in paragraph (4) within 5 (five) working days of receiving the request for recommendation.
- (6) If the regent/may or for a maximum period of 5 (five) working days does not provide the recommendations as referred to in paragraph (5), it is deemed to approve the acceleration of WIUP and / or WIUPK.
- (7) Recommendations by relevant agencies as referred to in paragraph (2) contain information regarding land use in WIUP and / or WIUPK that will be determined.
- (8) The Director General based on the results of coordination as referred to in paragraph (2) proposes the determination of WIUP and / or WIUPK to the Minister by attaching:
 - a. WIUP and / or WIUPK coordinates;
 - b. WIUP and / or WIUPK map;
 - c. price compensation data information; and
 - d. land use information.
- (9) The coordinates and maps of WIUP and / or WIUPK as referred to in paragraph (6) shall be prepared in accordance with the format determined by the Director General on behalf of the Minister.

Article 9

- (1.) The price of WIUP and WIUPK information data compensation as referred to in Article 8 paragraph (1) letter c is calculated based on the availability of data and information.
- (2.) The price of compensation for WIUP and WIUPK information data as referred to in paragraph (1) shall be calculated in accordance with the formula for calculating the compensation price for information data stipulated by the Minister.

The Third Part

Determination of Metal Mineral and Coal WIUP and WIUPK

Article 10

- (1.) The Minister shall determine the metal mineral WIUP, coal WIUP, metal mineral WIUPK and / or coal WIUPK based on the proposal from the Director General as referred to in Article 8 paragraph (2).
- (2.) The Minister may reject the proposal to determine metal mineral WIUP and / or coal WIUP determined by the governor based on the results of technical and / or economic evaluation conducted by the Director General.
- (3.) Metal mineral WIUP, coal WIUP, metal mineral WIUPK, coal WIUPK, nonmetallic mineral WIUP, and/or rock WIUP determined by the Minister or governor in accordance with their authority are mining allotment areas.

Article 11

- (1.) In the event that in the location of metal mineral WIUP or metal mineral WIUPK a metal mineral mining commodity class is found that is not associated and has prospects for business, the Minister may determine a new WIUP or WIUPK.
- (2.) In the event that in the location of metal mineral WIUP, coal WIUP, metal mineral WIUPK, and/or coal WIUPK different metal or coal mineral commodity groups are found and have prospects to be cultivated, the Minister may determine a new WIUP or WIUPK.
- (3.) The new WIUP as referred to in paragraph (1) and paragraph (2) shall be determined by the Minister based on:
 - a. Governor's proposal; or

- b. Application for IUP or IUPK holders whose WIUP is found in a different or unrelated metal or coal mineral commodity group.
- (4.) The new WIUPK as referred to in paragraph (1) and paragraph (2) shall be determined by the Minister based on the application of IUPK holder whose WIUPK groups find the different or unrelated metals or coal mineral commodities.
- (5.) IUP or IUPK holders who are interested in seeking WIUP or WIUPK results as referred to in paragraph (3) and paragraph (4) must form a new Business Entity.
- (6.) Provisions for the establishment of new Business Entities as referred to in paragraph (5) do not apply to Business Entities that are open (go public).
- (7.) If the holder of an IUP or IUPK is not interested in mining commodities which are not associated or of different classes as referred to in paragraph (1) and paragraph (2), the business opportunity can be given to other parties and held by auction.
- (8.) Other parties who obtain WIUP or WIUPK through the auction process shall coordinate with holders of IUP or IUPK facilitated by the Minister or governor in accordance with their authority.
- (9.) Coordination as referred to in paragraph (8) is carried out for the preparation of joint land use agreements.
- (10.) In the case of non-metal mineral WIUP or rock WIUP, it is determined that metal mineral WIUP or coal WIUP, holders of non-metal mineral WIUP or rock WIUP do not get the priority to commercialize metal minerals and coal.
- (11.) Guidelines for implementing the determination of WIUP or WIUPK are stipulated in a Ministerial Decree.

CHAPTER III
MINING AREA INFORMATION SYSTEM

Article 12

- (1.) Mining Area Information System is intended for uniformity:
 - a. coordinate system;
 - b. base map published by the agency that carries out government affairs in the field of national survey and mapping; and
 - c. map of WP, WUP, WPR, WPN, WIUP, or radioactive WIUPK, metal minerals, non-metal minerals, rocks, and/or coal.

- (2.) Mining Area Information System as referred to in paragraph (1) applies the geographic information system technology that is universal.

Article 13

- (1.) The coordinate system for mapping WIUP or WIUPK uses a geospatial reference system established by the agency that organizes government affairs in the geospatial field.
- (2.) WUP, WPR, WPN, WIUP, WUPK, or WIUPK are depicted in a closed polygon situation map bounded by lines parallel to latitude and longitude with multiples of at least a thousandth of a second (0.001 ") and using the coordinate system as intended in paragraph (1) and printed in portrait orientation on paper size F4.
- (3.) The maps of WUP, WPR, WPN, or WUPK as referred to in paragraph (2) include:
- a. limit;
 - b. administrative limit;
 - c. map information, in the form of line scale, map source, and map location; and
 - d. map approval. administratif;
- (4.) The WIUP map or WIUPK as referred to in paragraph (2) states:
- a. boundaries, coordinates, and area;
 - b. codefication;
 - c. administrative boundaries;
 - d. map information, in the form of line scale, map source, and map location; and
 - e. map approval.
- (5.) Ratification of WUP, WPR, WPN, WIUP, WUPK, or WIUPK map as referred to in paragraph (3) letter d and paragraph (4) letter e shall be signed by the Director General or an official appointed by the governor in accordance with his authority.
- (6.) Guidelines for the implementation of WIUP or WIUPK codefication are stipulated in a Ministerial Decree.

CHAPTER IV

PROCEDURES FOR GIVING WIUP AND WIUPK

Part One

The Procedure for Giving Non-Metal Mineral WIUP and Rock WIUP

Article 14

- (1) The Minister or governor in accordance with his authority issues maps of non-metal mineral WIUP or rock WIUP based on the application of business entities, cooperatives, and individuals who have fulfilled the requirements in accordance with the provisions of laws and regulations.
- (2) Before providing WIUP of nonmetallic minerals and rocks as referred to in paragraph (1):
 - a. The Minister must first obtain a recommendation from the governor and / or related government agencies; and
 - b. The governor must first obtain a recommendation from the regent / mayor and / or related agencies.
- (3) Recommendation as intended in paragraph (2) is in the form of giving consideration which contains information regarding land use, non-metal mineral WIUP and rock WIUP.
- (4) The Governor or regent / mayor provides recommendations as referred to in paragraph (2) within 5 (five) working days of receiving the request for recommendation.
- (5) If the governor or regent / mayor for a maximum period of 5 (five) working days does not provide recommendations as referred to in paragraph (2), it is deemed agreed to grant WIUP non-metal minerals and / or rock WIUP.
- (6) The Director General on behalf of the Minister or governor in accordance with his authority conducts the administrative and technical evaluations on the application of business entities, cooperatives, and individuals as referred to in paragraph (1).
- (7) Based on the results of administrative and technical evaluation as referred to in paragraph (6), the Director General on behalf of the Minister or governor in accordance with his authority within a maximum period of 10 (ten) working days after receipt of the application shall give the decision to accept or reject the WIUP application as referred to in paragraph (1).
- (8) The Director General on behalf of the Minister or governor in accordance with his authority issues an order to deposit payment for the provision of non-metal mineral WIUP and / or rock WIUP to the state treasury to business entities, cooperatives, or individuals in the event that the application for WIUP is received as referred to in paragraph (7).

- (9) The Governor may only issue non-metal mineral WIUP and / or rock WIUP on metal mineral WIUPK and / or coal WIUPK after IUPK is issued by the Minister.

Article 15

The Director General on behalf of the Minister or governor in accordance with his authority to provide WIUP of nonmetallic minerals and / or rock WIUP to the WIUP applicant after WIUP applicant provides the proof of deposit of the area reserve fee to the State treasury as referred to in Article 14 paragraph (8).

Article 16

- (1) The Governor before issuing a map of non-metal mineral WIUP or rock WIUP shall coordinate with the Minister if he is at:
 - a. Metal mineral WIUP and/or coal WIUP that has been determined by the Minister;
 - b. WIUP of metal mineral and/or coal WIUP that has been given to holders of metal mineral IUP or coal IUP; and
 - c. Metal mineral WIUPK and/or coal WIUPK that has been granted to metal mineral IUPK holders or coal IUPKs.
- (2.) Coordination as referred to in paragraph (1) letter a to obtain recommendations from the Director General.
- (3.) Coordination as referred to in paragraph (1) letter b and letter c to obtain the recommendations from the Director General and approval from holders of IUP or IUPK based on the land use agreements and / or joint support facilities.

Article 17

Guidelines for the implementation of non-metal mineral WIUP and / or rock WIUP are stipulated in a Ministerial Decree.

The second part

Procedure for the Granting of Metal and Coal Mineral WIUP

Article 18

Metal mineral WIUP and coal WIUP that have been determined as intended in Article 10 paragraph (1) are given by the Minister or governor in accordance with their authority by way of Auction to business entities, cooperatives, and individuals.

Article 19

- (1.) The Minister or governor in accordance with his authority shall announce the plan to conduct the auction

- of metal mineral WIUP or coal WIUP that has been determined by the Minister as referred to in Article 18.
- (2.) Announcement of plans to conduct a Mineral Mineral WIUP or Coal WIUP Auction shall be made no later than 1 (one) month prior to the auction.

Article 20

Announcement of plans to conduct a mineral mineral WIUP Auction or coal WIUP openly carried out with the provisions:

- a. at least contained in 1 (one) local print media and / or 1 (one) national print media;
- b. at the ministry office that carries out the government affairs in the field of minerals and coal or through an official website; and / or
- c. at the provincial government office that carries out affairs in the mineral and coal fields or through an official website.

Article 21

Metal mineral WIUP and coal WIUP auctions are conducted by:

- a. The Minister for WIUP for metal minerals and coal WIUP in cross provincial areas or sea areas more than 12 (twelve) nautical miles is measured from the coastline towards the open sea and / or towards archipelagic waters; and
- b. The governor of WIUP for metal minerals and coal WIUP in 1 (one) province or sea area up to 12 (twelve) nautical miles measured from the coastline towards the high seas and / or towards archipelagic waters.

Article 22

- (1.) In the framework of conducting metal mineral WIUP or Coal WIUP Auction, a Tender committee shall be formed by:
- (2.) Minister, for the auction committee for metal mineral WIUP or coal WIUP in cross-province and/or sea area more than 12 (twelve) nautical miles of coastline; and
- (3.) Governor, for the auction committee for metal mineral WIUP and coal WIUP which is in 1 (one) province and / or sea area up to 12 (twelve) nautical miles from the coastline.
- (4.) Guidelines for implementing the preparation, requirements, duties and authority of the Auction committee membership are stipulated in a Ministerial Decree.

Article 23

- (1.) Auction of metal mineral WIUP or WIUP of coal with an area smaller than or equal to 500 (five hundred) hectares followed by participants consisting of:
 - a. Business Entity, as follows:
 - i. Local BUMD; or
 - ii. Local National Private Business Entity;
 - iii. cooperative; and / or
 - b. individuals, consisting of:
 1. an individual person;
 2. limited partnership; or
 3. firm.

- (2.) Metal mineral WIUP or coal WIUP auction with an area of more than 500 (five hundred) hectares, followed by participants consisting of:
 - a. Business Entity, as follows:
 1. State Owned Enterprises (BUMN);
 2. Local Government Owned Enterprises (BUMD);
 3. National Private Business Entity; or
 4. Private business entities in the context of foreign investment; and or
 - b. cooperative.

- (3.) The Director General on behalf of the Minister determines the requirements for participants in the auction of metal mineral WIUP or coal WIUP as referred to in paragraphs (1) and (2).

Article 24

- (1.) Procedure for auctioning metal mineral WIUP and coal WIUP is conducted in 2 (two) stages consisting of:
 - a. prequalification stage; and
 - b. qualification stage.

- (2.) The Metal Mineral WIUP and Coal WIUP Auction Committee shall carry out the auction procedures as referred to in paragraph (1) fairly, transparently, and encourage the creation of fair competition.

Article 25

- (1.) Evaluation of documents in the pre-qualification stage as referred to in Article 24 paragraph (1) letter a is carried out by:
 - a. examine the complete administrative, technical, and financial requirements that must be met by the Bidder; and

- b. assess the technical requirements which include assess the technical requirements which include Data completeness, reasonableness, and data quality are as follows:
 - 1. experience in mining;
 - 2. has a value of 20% (twenty percent) of the total value of the weight of the technical requirements;
 - 3. the availability of human resources has a value of 35% (thirty-five percent) of the total weighted technical requirements; and
 - 4. the work plan has a value of 45% (forty-five percent) of the total weighted technical requirements.
- (2.) The Bid Committee determines the ranking of prospective winners of metal mineral WIUP Auction or coal WIUP based on the sum of:
 - a. weight value from the results of the prequalification evaluation; and
 - b. the weight value of the price quote according to the rating.
- (3.) The weight of the results of the prequalification evaluation as referred to in paragraph (2) letter a has a value of 40% (forty percent).
- (4.) The weight of the price quote in accordance with the ranking as referred to in paragraph (2) letter b has a value of 60% (sixty percent).
- (5.) In evaluating the bid price, the Bid Committee is prohibited from changing, adding to, and subtracting the bid price for any reason.
- (6.) The Bid Committee determines the ranking of prospective Auction winners according to the evaluation results as referred to in paragraph (1) to paragraph (4) as outlined in the minutes of the Auction.

Article 26

Guidelines for the implementation of metal mineral WIUP Auction and coal WIUP are stipulated in the Ministerial Decree.

The Third Part

Procedure for Provision of WIUPK

Paragraph 1

Procedure for Giving WIUPK on Priority

Article 27

- (1.) The Minister offers SOEs and BUMDs with priority means to obtain the metal mineral WIUPK and/or coal WIUPK.
- (2.) The offer to BUMD as referred to in paragraph (1) shall be submitted to the governor or regent/mayor to appoint BUMD.
- (3.) BUMN and BUMD can include the private business entities whose entire capital comes from within the country as partners in the priority bidding process to obtain metal mineral WIUPK and / or coal WIUPK as referred to in paragraph (1).
- (4.) BUMN and BUMD who are interested in undertaking WIUPK as referred to in paragraph (1) shall meet the administrative, technical and financial requirements.
- (5.) In the case of BUMN and BUMD as referred to in paragraph (2) involving partners, partners must meet administrative, technical and financial requirements.
- (6.) BUMDs as referred to in paragraph (1) shall be BUMDs formed by provincial regional governments or district/city governments where WIUPKs to be offered are located.

Article 28

- (1.) In the event that WIUPK bid as referred to in Article 27 paragraph (1) there is only 1 (one) SOE that is interested and fulfills the requirements, WIUPK is directly given to SOEs.
- (2.) The Director General on behalf of the Minister shall submit a direct appointment letter as well as an order to the SOE to grant equity participation to regionally owned enterprises of at least 10% (ten percent) provided that the BUMN can:
 - a. form a new Business Entity as a joint venture within a maximum period of 90 (ninety) calendar days from receiving a direct appointment letter; or
 - b. use the Affiliated Business Entity within a maximum period of 60 (sixty) calendar days since receiving the direct appointment letter.
- (3.) In granting share participation as referred to in paragraph (2), SOEs must coordinate with the provincial regional government and regency/city regional government where the WIUPK to be attempted is located.
- (4.) In the case based on the results of coordination as referred to in paragraph (3), the investment in shares as referred to in paragraph (3) is of interest to BUMD

- formed by the provincial regional government and the BUMD formed by the regency/city regional government, 10% investment (ten percent) divided into:
- a. 4% (four percent) for BUMD established by the provincial government; and
 - b. 6% (six percent) for BUMD formed by district/city government.
- (5.) The inclusion of BUMN shares in new Business Entities as joint ventures or SOE affiliated Business Entities as referred to in paragraph (2) shall be at least 51% (fifty one percent).
- (6.) BUMN can offer equity participation in a new Business Entity as a joint venture or SOE affiliated Business Entity as referred to in paragraph (2) to a private Business Entity whose entire capital comes from domestic.
- (7.) In the event that WIUPK bid as referred to in Article 27 paragraph (1) there is only 1 (one) BUMD interested and fulfilling the requirements, WIUPK shall be directly given to the BUMD.
- (8.) The Director General on behalf of the Minister shall submit a direct appointment letter as well as a notification to the BUMD that in undertaking WIUPK, the BUMD can:
- a. directly use BUMD; or
 - b. Establish a new Business Entity as a joint venture within a maximum period of 90 (ninety) calendar days from receiving a direct appointment letter.
- (9.) Participation of shares of private business entities in BUMD or new Business Entities as referred to in paragraph (8) shall be no more than 49% (forty nine percent).

Article 29

Guidelines for the implementation of WIUPK granting in priority are stipulated in a Ministerial Decree.

Paragraph 2

The Procedure for Giving WIUPK in Auction

Article 30

- (1) The Minister gives WIUPK by means of auction to BUMN and BUMD in the event that there is more than 1 (one) BUMN or BUMD interested in WIUPK bid as referred to in Article 27 paragraph (1).

- (2) The Minister offers WIUPK to private business entities engaged in the mining of minerals or coal by means of auction in terms of:
 - a. there are no BUMN and BUMD interested in WIUPK bid as referred to in Article 27 paragraph (1); and / or
 - b. there are no BUMN and BUMD that fulfill the requirements as referred to in Article 27 paragraph (2).
- (3) The Minister is obliged to announce the planned implementation of the WIUPK Auction as referred to in paragraph (2) within a period of not later than 1 (one) month prior to the auction.

Article 31

- (1.) In the framework of conducting WIUPK Auction as referred to in Article 30 paragraph (1) and paragraph (2), the Minister shall form a Metal Mineral WIUPK Auction Committee and / or coal WIUPK.
- (2.) Provisions regarding the Bidding procedures, evaluation of prequalification stage documents, evaluation of price bids, weight values of the results of prequalification evaluations and price quotes, and ranking of potential winners of metal mineral WIUP Auctions or coal WIUPs as referred to in Article 24 and Article 25 shall apply mutatis mutandis on Bidding procedures, evaluation of prequalification stage documents, evaluation of price quotes, weight values of the results of prequalification evaluations and price quotes, and ranking of potential winners of metal mineral WIUPK Auction and / or coal WIUPK.

Article 32

- (1.) In the event that the WIUPK Auction as referred to in Article 30 paragraph is won by SOEs, the Minister shall announce SOE as the winner of the Auction and at the same time instruct SOEs to provide shares to BUMD of at least 10% (ten percent) provided that SOEs can:
 - a. form a new Business Entity as a joint venture within a maximum period of 90 (ninety) calendar days from the determination of the auction winner; or
 - b. use the affiliated Business Entity within a maximum period of 60 (sixty) calendar days from the determination of the auction winner.
- (2.) In granting share participation as referred to in paragraph (1), BUMN shall coordinate with the

- provincial regional government and regency/city regional government where WIUPK to be attempted is located.
- (3.) In the case based on the results of coordination as referred to in paragraph (2), the offering of share participation as referred to in paragraph (1) shall be of interest to BUMD formed by the Provincial Regional Government and BUMD formed by the Regency / city Regional Government, ownership of shares 10 % (ten percent) divided into:
- a. 4% (four percent) for BUMD established by the provincial government; and
 - b. 6 (six percent) for BUMD established by the regency / city government.
- (4.) In the event that WIUPK Auction as referred to in Article 30 paragraph (1) is won by BUMD, the Minister announces the designation of BUMD as the winner of the Auction while at the same time informing that in attempting to WIUPK, BUMD can:
- a. directly use BUMD; or
 - b. establish a new Business Entity as a joint venture within a maximum period of 90 (ninety) calendar days after the determination of the auction winner.
- (5.) Participation of shares of private business entities in BUMD or new Business Entities as referred to in paragraph (4) shall be no more than 49% (forty nine percent).

Article 33

- (1) The Minister announces the stipulation of a private Business Entity as the winner of the Auction and at the same time instructs the Private Business Entity to provide shares to the Regional Government at least 10% (ten percent), provided that the Private Business Entity can:
- a. directly use the private business entities; or
 - b. establish a new Business Entity as a joint venture within a maximum period of 90 (ninety) calendar days after the determination of the auction winner.
- (2) In granting shares participation as referred to in paragraph (1), the private Business Entity shall coordinate with the Provincial Regional Government and Regency/City Regional Government where WIUPK to be attempted is located.

- (3) In the case based on the results of coordination as referred to in paragraph (2), the investment in shares as referred to in paragraph (1) is of interest to the BUMD formed by the Provincial Regional Government and the BUMD formed by the Regency / city Regional Government, 10% share participation (ten percent) divided into:
- a. 4% (four percent) for BUMD established by the provincial government; and
 - b. 6% (six percent) for BUMD formed by district / city government.

Article 34

The Director General on behalf of the Minister shall determine the procedure for conducting the WIUPK Auction as referred to in Article 30.

CHAPTER V PROCEDURES FOR GIVING LICENSING Part One General

Article 35

- (1.) Business licenses in the field of mineral and coal mining are grouped into:
- a. Exploration IUP;
 - b. Exploration IUPK;
 - c. Production Operation IUP;
 - d. Production Operation IUPK;
 - e. Production Operation IUP specifically for processing and / or refining;
 - f. Production Operation IUP specifically for transportation and sales; and
 - g. IUJP.
- (2.) Business licenses in the field of mineral and coal mining as referred to in paragraph (1) letter a through letter g may be granted to:
- a. Business entity;
 - b. cooperative; and
 - c. individual.
- (3.) The Business Entity as referred to in paragraph (2) letter a consists of:
- a. BUMN;
 - b. BUMD; and
 - c. private business entity.

- (4.) Individuals as referred to in paragraph (2) letter c consist of:
- a. firm;
 - b. limited partnership; and
 - c. individual.

Article 36

- (1.) Business entities, cooperatives, and individuals can only carry out the mineral and coal mining business activities after obtaining a business license in the field of mineral and coal mining as referred to in Article 35 paragraph (1).
- (2.) Business licenses in the mineral and coal mining sector as referred to in Article 35 paragraph (1) cannot be used other than as referred to in the granting of a business permit in the mineral and coal mining sector.

The second part

Provision of Exploration IUP and Exploration IUPK

Paragraph 1

General

Article 37

- (1.) Exploration IUP as referred to in Article 35 paragraph (1) letter a shall be granted by:
- a. Minister, if the WIUP:
 1. is in a cross-province area;
 2. being in a sea area of more than 12 (twelve) nautical miles measured from the coastline towards the open sea and / or towards archipelagic waters; or
 3. directly borders with other countries; or
 - b. Governor, if WIUP is located:
 1. in 1 (one) provincial area; or
 2. in the sea area up to 12 (twelve) nautical miles measured from the coastline towards the open sea and / or towards archipelagic waters.
- (2.) In the event that the sea area between two provinces is less than 24 (twenty four) nautical miles, the authority of the governor in the sea area as referred to in paragraph (1) letter b shall be divided equally by distance or measured in accordance with the principle of the midline of the area between two area of the province.

Article 38

Exploration IUPK as referred to in Article 35 paragraph (1) letter b shall be granted by the Minister.

Paragraph 2

The Procedure for Giving Exploration IUP or Exploration IUPK

Article 39

- (1.) Application for Exploration IUP shall be submitted to the Minister or governor in accordance with his authority no later than 5 (five) working days:
 - a. after the Business Entity, cooperative, or individual is determined as the winner of the auction of metal mineral WIUP or coal WIUP; or
 - b. after publishing the WIUP map of nonmetallic minerals or rock WIUP.
- (2.) Applications for Exploration IUPK must be submitted to the Minister within a period of no later than 5 (five) working days from:
 - a. the establishment of new business entities as referred to in Article 28 paragraph (2), Article 32 paragraph (1) or Article 33 paragraph (1);
 - b. affiliated business entities include shares in BUMD as referred to in Article 28 paragraph (4);
 - c. the provision of WIUPK to BUMD in the event that BUMD does not form a new business entity as referred to in Article 28 paragraph (8);
 - d. BUMD is determined as the winner of metal mineral WIUPK auction or coal WIUPK as referred to in Article 32 paragraph (4); or
 - e. Private Business Entity is determined as the winner auction of metal mineral WIUPK or coal WIUPK as referred to in Article 33 paragraph (1).
- (3.) In the event of a refutation of the determination of the winner of metal mineral WIUP auction, coal WIUP, or WIUPK as referred to in paragraph (1) letter a and paragraph (2), the application for Exploration IUP or Exploration IUPK must be submitted no later than 5 (five) working days after the completion of the objection period or the issuance of the Minister's response to the rebuttal that the auction

and determination of the auction winners of metal mineral WIUP, coal WIUP, or WIUPK has been correct.

Article 40

- (1.) Application for Exploration IUP or Exploration IUPK as referred to in Article 35 paragraph (1) letter a and letter b must meet administrative, technical, environmental and financial requirements.
- (2.) In addition to the requirements as referred to in paragraph (1) the request for Exploration IUP or Exploration IUPK must be accompanied by proof of placement of the exploration's sincerity guarantee.
- (3.) The guarantee of the seriousness of Exploration as referred to in paragraph (2) is placed in the form of a time deposit at a government or regional government bank on behalf of the Director General or governor qq applicant for Exploration IUP or Exploration IUPK with the following provisions:
 - a. The guarantee of seriousness that is placed is determined of Rp 5,000,000 (five million rupiahs) if the WIUP or WIUPK area is less than or equal to 40 (forty) hectares;
 - b. The seriousness guarantee placed is calculated based on the area per hectare multiplied by Rp150,000.00 (one hundred fifty thousand rupiah) if the WIUP or WIUPK area is more than 40 (forty) hectares.
- (4.) The guarantee of the seriousness of Exploration as referred to in paragraph (3) and interest can be disbursed with the following provisions:
 - a. has been evaluated and obtained the approval of the Feasibility Study document from the Director General on behalf of the Minister or governor in accordance with his authority; or
 - b. there is no potential for mineral or coal resources based on evaluation and verification of data on the Exploration report preceded by an application for returning the Exploration IUP in accordance with statutory provisions.
- (5.) The guarantee of the seriousness of Exploration as referred to in paragraph (4) along with the interest shall be determined to be the property of the Central Government as non-tax state revenue in accordance with the provisions of the legislation in terms of:
 - a. the holders of Exploration IUP or Exploration IUPK do not conduct Exploration activities;

- b. the holders of Exploration IUP or Exploration IUPK in conducting the exploration activities do not achieve the minimum total expenditure (minimum expenditure) in accordance with the planned exploration activities that are submitted as a requirement for granting Exploration IUP or Exploration IUPK as priority or auction; and / or
- C. Exploration IUP or Exploration IUPK has been revoked.

Paragraf 3

Implementation of Exploration IUP or Exploration IUPK

Article 41

- (1.) IUP Exploration IUP or Exploration IUPK covers the stages of activities:
 - a. General Investigation;
 - b. Exploration; and
 - c. Feasibility study.
- (2.) Exploration IUP or Exploration IUPK as referred to in paragraph (1) shall be granted for the longest period of time:
 - a. 8 (eight) years for metal mineral Exploration IUP or metal mineral Exploration IUPK;
 - b. 7 (seven) years, for:
 - 1. Coal Exploration IUP;
 - 2. IUP Exploration of certain types of nonmetallic minerals; or
 - 3. Coal Exploration IUPK;
 - c. 3 (three) years, for:
 - 1. Non-Metallic Mineral Exploration IUP; or
 - 2. Mineral Exploration IUP.

The Third Part

Provision of Production Operation IUP or Production Operation IUPK

Paragraf 1

General

Article 42

Production Operation IUP as referred to in Article 35 paragraph (1) letter c is given by:

- a. The minister if mining location, processing location and/or refining, and location of special ports:
 - 1. is in a cross-province area; or

2. borders directly with other countries;
- b. the governor, if the mining location, processing and / or refining location, and the location of the special port are in 1 (one) provincial area.

Article 43

Production Operation IUPK as referred to in Article 35 paragraph (1) letter d shall be granted by the Minister.

Paragraph 2

Procedure for the Granting of Production Operation IUP or Production Operation IUPK

Article 44

- (1.) Production Operation IUP or Production Operation IUPK is given to the business entities, cooperatives, or individuals who have completed the stage of Exploration IUP or Exploration IUPK.
- (2.) Every holder of an Exploration IUP or Exploration IUPK is guaranteed to obtain a Production Operation IUP or Production Operation IUPK as a continuation of his mining business activities by submitting an application for an increase in Production Operation IUP or Production Operation IUPK to the Minister or governor in accordance with his authority.
- (3.) Requests to increase to Production Operation IUP or Production Operation IUPK as referred to in paragraph (2) must be submitted to the Minister or governor in accordance with their authority no later than:
 - a. 1 (one) month before the end of the period of metal mineral Exploration IUP, certain types of non-metal mineral Exploration IUP, coal Exploration IUP, metal mineral Exploration IUP, or coal Exploration IUPK; or
 - b. 1 (one) month before the end of the term of the non-metal mineral Exploration IUP or rock Exploration IUP.
- (4.) An application for an increase to an Operation IUP or Production Operation IUPK as referred to in paragraph (3) must meet administrative, technical, environmental and financial requirements.

Paragraph 3

Implementation of Production Operation IUP or Production Operation.

Article 45

- (1.) Production Operation IUP or Production Operation IUPK covers the stages of activities:
 - a. Construction;
 - b. Mining;
 - c. Processing and / or Refining; and
 - d. Freight and Sales
- (2.) Production Operation IUP or Production Operation IUPK as referred to in paragraph (1) is given for the longest period of time:
 - a. 20 (twenty) years and can be extended 2 (two) times for 10 (ten) years each for:
 1. Metal Mineral Production Operation IUP;
 2. Coal Production Operation IUP;
 3. IUP of certain types of non-metal mineral Production Operation;
 4. IUPK metal mineral Production Operation; or
 5. IUPK Coal Production Operations;
 - b. 10 (ten) years and can be extended 2 (two) times for 5 (five) years each for a non-metal mineral Production Operation IUP; or
 - c. 5 (five) years and can be extended 2 (two) times 5 (five) years each for the rock production Operation IUP.
- (3.) To obtain an extension as referred to in paragraph (2), the holders of Production Operation IUP or Production Operation IUPK shall submit an application to the Minister or governor in accordance with their authority:
 - a. not later than 5 (five) years and not later than 1 (one) year before the end of the period of Production Operation IUP or Production Operation IUPK for application for extension:
 1. Metal Mineral Production Operation IUP;
 2. Production Operation IUP of certain types of nonmetallic minerals;
 3. Coal Production Operation IUP;
 4. IUPK metal mineral Production Operation; or
 5. IUPK Coal Production Operations;
 - b. not later than 2 (two) years and not later than 6 (six) months before the end of the period of

Production Operation IUP for the application for extension:

1. Non-metal mineral Production Operation IUP; or
2. IUP Production Operation rock.

Article 46

- (1.) In order to guarantee the effectiveness, implementation, and control of mineral and coal mining business activities in an effective, effective, and competitive manner, Exploration IUP or Production Operation IUP shall be granted by the Minister if:
 - a. submitted by a public company (go public);
 - b. has more than 1 (one) metal mineral or coal IUP; and
 - c. WIUP is in more than 1 (one) provincial area.
- (2.) The Governor is obliged to submit Exploration IUP documents or Production Operation IUP documents owned by:
 - a. Open Business Entity (go public);
 - b. Has more than 1 (one) metal mineral or coal IUP; and
 - c. The WIUP is in more than 1 (one) province, to the Minister to be adjusted for his Exploration IUP or Production Operation IUP.

The Fourt Part

Granting IUP of Special Production Operations for Processing
and/or Purification

Paragraph 1

General

Article 47

- (1.) Production Operation IUP specifically for processing and/or purification as referred to in Article 35 paragraph (1) letter e is given by:
 - a. The minister, if:
 1. the mining commodities to be processed come from other provinces outside the location of processing and / or refining facilities;
 2. the mining commodities to be processed come from abroad; and / or
 3. the location of processing and refining facilities is in the cross of provincial area;
 - b. The governor, if:

1. the mining commodities to be processed come from 1 (one) provincial region which is the same as the location of processing and/or refining facilities; and/or
2. the location of the processing and/or refining facility is in 1 (one) provincial area.

Paragraph 2

Procedure for Granting the Special Production Operation IUP for Processing and/or Purification

Article 48

- (1.) IUP Production Operations specifically for processing and/or refining the metal mineral mining commodities, non-metal minerals and coal can only be given to business entities.
- (2.) IUP Production Operations specifically for processing and/or refining the rock mining commodities can be given to the business entities, cooperatives, or individuals.
- (3.) To obtain a Special Production Operation IUP for processing and/ or refining as referred to in paragraph (1) and paragraph (2), the Business Entity, cooperative, or individual must meet administrative, technical, environmental and financial requirements.

Paragraph 3

Implementation of Special Production Operation IUP for Processing and / or Purification

Article 49

- (1.) Production Operation IUP specifically for processing and/or refining includes activities:
 - a. Processing and/or Refining; and
 - b. Freight and Sales.
- (2.) Processing and/or Purification as referred to in paragraph (1) letter a may be in the form of:
 - a. Processing and/or refining metal minerals;
 - b. non-metal mineral processing;
 - c. rock processing; or
 - d. coal processing.
- (3.) Rock processing permit as referred to in paragraph (2) letter c can be in the form of processing more than 1 (one) type of rock.

- (4.) Transportation and Sales activities as referred to in paragraph (1) letter b shall be in the form of Transportation and Sales of Processing and / or Refining products as referred to in paragraph (2).
- (5.) IUP of Special Production Operation for Processing and/or Purification as referred to in paragraph (1) shall be granted for a period of 30 (thirty) years and may be extended for a period of 20 (twenty) years at each time of extension.
- (6.) In order to obtain an extension as referred to in paragraph (4), the holders of IUP Production Operations specifically for processing and/or refining shall submit an application to the Minister or governor in accordance with his authority at the latest 5 (five) years and not later than 1 (one) years before the end of the IUP Production Operation period specifically for processing and/or refining.

The Fifth Section

Grant of Special Production Operation IUP for Transportation and Sales

Paragraph 1 General

Article 50

IUP Production Operation IUP specifically for transportation and sales as referred to in Article 35 paragraph (1) letter f is given by:

- a. the Minister, if Transportation and Sales activities are carried out in provincial and / or cross-country blood routes; or
- b. the governor, if Transportation and Sales activities are carried out in 1 (one) provincial area.

Paragraph 2

Procedure for Granting the Special Production Operation IUP for Transportation and Sales

Article 51

- (1.) IUP Production Operations specifically for the transportation and sale of metal mineral commodities, nonmetallic minerals, coal, and rocks can be given to business entities, cooperatives, or individuals.

- (2.) In order to obtain a Special Production Operation IUP for transportation and sales as referred to in paragraph (1), the Business Entity, cooperative, or individual shall fulfill the requirements.

Paragraph 3

Implementation of Special Production Operation IUP for Transportation and Sales

Article 52

- (1.) Production Operation IUP specifically for transportation and sales is given for a period of 5 (five) years and can be extended for a period of 5 (five) years at each extension.
- (2.) To obtain an extension as referred to in paragraph (1), holders of Production Operation IUP specifically for transportation and sales must submit an application to the Minister or governor in accordance with their authority no later than 1 (one) month before the end of the period of special Production Operation IUP for freight and sales.

The Sixth Part

Granting the Mining Services Business Licenses

Article 53

IUJP as referred to in Article 35 paragraph (1) letter g is given by:

- a. The minister if mining service business activities are carried out in all regions of Indonesia; or
- b. The governor if mining service business activities are carried out in 1 (one) provincial area.

Paragraph 2

Procedure for Granting IUJP

Article 54

- (1.) IUJP to carry out the mining service business activities in all regions of Indonesia is given by the Minister based on the application submitted by the Business Entity.
- (2.) IUJP to conduct the mining service business activities in 1 (one) provincial area is given by

the governor based on an application submitted by a Business Entity, cooperative, or individual.

- (3.) The application referred to in paragraph (1) and paragraph (2) shall meet the administrative and technical requirements.

Paragraph 3
Implementation of IUJP

Article 55

- (1.) IUJP includes the activities of:
- a. Consultation, planning and implementation in the fields of:
 - 1. General inquiry;
 - 2. Exploration;
 - 3. Feasibility Study;
 - 4. Mining construction;
 - 5. Transportation;
 - 6. mining environment;
 - 7. reclamation and post-mining; and / or
 - 8. mining safety;
 - b. Consulting and planning in the fields of:
 - 1. mining; or
 - 2. processing and purification.
- (2.) Individuals as the holders of IUJP can only conduct the business in mining services in consultation and/or planning activities.
- (3.) The mining service business sector as referred to in paragraph (1) consists of sub-fields stipulated by the Minister.
- (4.) IUJP as referred to in paragraph (1) is granted for a period of 5 (five) years and can be extended for a period of 5 (five) years at each time of extension.
- (5.) To obtain an extension as referred to in paragraph (4), the holder of the IUJP must submit an application to the Minister or governor in accordance with their authority no later than 1 (one) month before the end of the IUJP period.

Article 56

- (1.) In carrying out the mining activities, IUJP holders may only receive the rock stripping/overburden stripping work from the Production Operation IUP Holders or Production Operation IUPKs.

- (2.) In the context of improving the welfare of the community surrounding the mine, the holders of Production Operation IUP or Production Operation IUPK can submit the alluvial mineral deposits to the community through partnership programs after obtaining approval from the Director General on behalf of the Minister.
- (3.) Communities around the mine as referred to in paragraph (2) shall have an IUJP issued by the governor.
- (4.) The partnership program as referred to in paragraph (2) is carried out based on a cooperation agreement between the holder of Production Operation IUP or Production Operation IUPK with the holder of IUJP.
- (5.) The partnership program based on the cooperation agreement as referred to in paragraph (4) is carried out with the following provisions:
 - a. carried out in the areas that have been determined by the holder of Production Operation IUP or Production Operation IUPK;
 - b. conducted by cooperatives or individuals
 - c. not using foreign workers; and
 - d. not based on alluvial mineral sale and purchase transactions from the excavation.
- (6.) The Holders of Production Operation IUP or Production Operation IUPK using the underground mining method can submit the work of making tunnel / shaft access to vein ore/seam coal, channeling, and collateral to the IUJP holder in the mining sub-sector construction tunneling (tunneling).

The Seventh Part
Licensing in the Framework of Foreign Investment and
Production Operation IUP for Sales

Article 57

- (1.) Exploration IUP, Production Operation IUP, Production Operation IUP specifically for processing and / or refining, Production Operation IUP specifically for transportation and sales, and IUJP in the framework of PMA is given by the Minister.
- (2.) The Holders of Exploration IUP, Production Operation IUP, Production Operation IUP specifically for processing and/or refining, Production Operation IUP specifically for transportation and sales, and IUJP that have PMA status are required to submit applications for adjustment

of Exploration IUP, Production Operation IUP, Special Production Operations for processing and/or refining, Special Production Operation IUP for transportation and sales, and IUJP to the Minister.

- (3.) The Minister adjusts the Exploration IUP, Production Operation IUP, Production Operation IUP specifically for Processing and/or Refining, Production Operation IUP specifically for transportation and sales, and IUJP from PMDN to PMA after fulfilling the requirements in accordance with statutory provisions.
- (4.) Guidelines for the adjustment of PMDN IUP into PMA are stipulated in a Ministerial Decree.

Article 58

- (5.) The Business entities which are not engaged in the mining business intending to sell the excavated minerals or coal shall first have a Production Operation IUP for sales.
- (6.) The Business entities which are not engaged in the mining business as referred to in paragraph (1) are business entities which, among others, carry out activities:
 - a. construction of road traffic facilities and infrastructure;
 - b. port construction;
 - c. tunnel construction;
 - d. civil construction; and / or
 - e. dredging the flow of river, lake and / or sea traffic.
- (3.) The business entity as referred to in paragraph (1) that utilizes the minerals or coal excavated for its own benefit as long as it is not for commercial profit, is not required to have a Production Operation IUP for sales.
- (4.) To obtain a Production Operation IUP for sales, a Business Entity that is not engaged in the mineral and coal mining business is required to submit an application to the Minister or governor in accordance with his authority.

CHAPTER VI RIGHTS, OBLIGATIONS, AND PROHIBITIONS

Part One

Rights, Obligations, and Prohibition of IUP and IUPK Holders

Paragraph 1

Article 59

The Holders of IUP or IUPK are entitled to:

- a. carry out the mining business activities in its WIUP or WIUPK in accordance with statutory provisions;
- b. have the minerals, including associated minerals, or coal that has been produced after meeting production dues, except radioactive minerals;
- c. submit the application for temporary suspension of mining business activities in accordance with statutory provisions;
- d. construct the facilities and/or infrastructure to support mining business activities;
- e. sell the minerals or coal, including selling abroad after domestic needs are met and selling minerals or coal excavated in Exploration activities or Feasibility Study activities in accordance with statutory provisions; and
- f. get the land rights in accordance with statutory provisions.

Article 60

(1.) The Holders of IUP and IUPK can:

- a. utilize the public facilities and/or infrastructure to support the mining business activities in accordance with statutory provisions;
- b. cooperate with other business entities in the context of utilizing publicly owned facilities and infrastructure to support the mining business activities;
- c. collaboration with service companies mining that has obtained IUJP in accordance with the approval of the Annual RKAB;
- d. use the foreign workers in accordance with the approval of the agency that carries out affairs in the field of manpower in accordance with statutory provisions;
- e. make the changes to investment and sources of financing including the changes in paid up capital and placed in accordance with the Annual RKAB approval;
- f. apply for a partial downsizing or return of all WIUP or WIUPK in accordance with statutory provisions;
- g. submit the application for IUP or IUPK to commercialize other mining commodities found in WIUP or WIUPK to the Minister or governor in accordance

- with their authority by forming a new Business Entity in accordance with statutory provisions;
- h. submit the request for amendment and/or addition of exploitation of associated mineral mining commodities at the time of submission of the Feasibility Study approval;
 - i. undertake the associated minerals including rare earth metal minerals after obtaining the Feasibility Study approval;
 - j. build the transportation, storage/stockpiling facilities, and purchase or use of explosives according to the approval of the Annual RKAB;
 - k. build a liquid fuel storage/storage in accordance with the approval of the Annual RKAB;
 - l. implement the blasting of sleep in accordance with the approval of the Annual RKAB;
 - m. submit a feasibility testing plan use of equipment and / or plans for the feasibility of using the installation in accordance with the approval of the Annual RKAB;
 - n. operate the dredger or suction ship in accordance with the approval of the Annual RKAB;
 - o. propose the facilities for import, re-export, temporary import or transfer of goods in accordance with the approval of the Annual RKAB to Government agencies that carry out affairs in the field of investment and customs;
 - p. submit the application for producer import identification numbers in accordance with the Annual RKAB approval to the agency that organizes government affairs in the field of trade;
 - q. submit the application to use the areas outside WIUP or WIUPK to the Minister or governor in accordance with their authority to support their mining business activities;
 - r. submit the application to use areas outside WIUP or WIUPK to the Minister or governor in accordance with their authority to support their mining business activities by attaching a cooperation agreement if they are in another WIUP or WIUPK;
 - s. conduct the coal blending (blending) from the holders of Production Operation IUP, Production Operation IUPK or People's Mining Permit, in accordance with the approval of the Annual RKAB; and

- t. conduct the cooperation in the utilization of facilities owned for use by holders of IUP or other IUPK in accordance with the approval of the Annual RKAB.
- (2.) Annual RKAB approval 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 results evaluation of mining business activities from the previous year period.
- (3) Annual RKAB approval as referred to in paragraph (2) can be used as a recommendation for licensing arrangements at other agencies in accordance with statutory provisions. Carry out sleep detonation in accordance with the Annual RKAB approval;

Article 61

- (1.) The Holder of Production Operation IUP and Production Operation IUPK may carry out Transportation and Sales to other parties who have obtained Production Operation IUP specifically for transportation and sales issued by the Minister or governor in accordance with their authority.
- (2.) The Holders of Production Operation IUP or Production Operation IUPK can carry out the Advanced Exploration activities in the framework of:
 - a. optimization of resources and/or reserves;
 - b. maintain a certain ratio of reserves to production; and / or
 - c. adjustments to Mining method changes.

Paragraph 2
The obligation
Article 62

- (1.) IUP or IUPK holders shall:
 - a. conduct all mining business activities in accordance with statutory provisions:
 - b. prepare and submit an Annual RKAB to the Minister or governor in accordance with their authority to obtain approval;
 - c. apply the rules of good mining techniques;

- d. submit the periodic written reports on the Annual RKAB and the implementation of mining business activities carried out, including the implementation of cooperation with IUJP holders;
- e. provide the guidance to mining service companies in applying the principles of good mining techniques;
- f. apply the principle of propriety, transparency and fairness in using mining services companies holding IUJP holders;
- g. prioritize the meeting domestic mineral and coal needs and complying with production and sales controls;
- h. prepare the plans and carry out reclamation and/or post-mining in accordance with the approved reclamation plan and/or post-mining plan and place reclamation guarantees and/or post-mining guarantees in accordance with statutory provisions concerning reclamation and post-mining;
- i. report the minerals or coal dug up in Exploration or Feasibility Study activities to the Minister or governor in accordance with its authority;
- j. manage the finances in accordance with the Indonesian accounting system;
- k. increase the value added of minerals or coal from domestic mining in accordance with statutory provisions;
- l. compile, implement, and submit reports on the implementation of community development and empowerment programs in accordance with statutory provisions;
- m. comply with the tolerance limit of environmental carrying capacity;
- n. guarantee the application of environmental standards and quality standards in accordance with the characteristics of an area;
- o. maintain the function and carrying capacity of the relevant water resources in accordance with the provisions of the legislation;
- p. shrink the Exploration WIUP or Exploration WIUPK whose WIUPK or WIUPK area exceeds the maximum limit of WIUPK production operation area or WIUPK production operation;
- q. put a mark on the production operation WIUP or production operation WIUPK;

- r. comply with the technical provisions of mining operations;
- s. apply the mining labor competency standards;
- t. submit all Data obtained from the results of activities of the Exploration and production operations to the Minister or governor in accordance with their authority;
- u. administer every implementation of mining business activities;
- v. prioritize the use of local workforce, domestic goods and services in accordance with statutory provisions;
- w. divest the shares to Indonesian Participants for private business entities in the framework of PMA holders of Production Operation IUP or Production Operation IUPK in accordance with the statutory provisions;
- x. involve the local entrepreneurs in the vicinity of WIUP or WIUPK in conducting the production operations in accordance with statutory provisions;
- y. pay financial the obligations in accordance with statutory provisions;
- z. settle the land rights with right holders in accordance with statutory provisions;
 - aa. complete the rights to supporting facilities and infrastructure in accordance with statutory provisions if there are facilities and infrastructure supporting mining activities in WIUP or WIUPK that will be utilized.
 - bb. compile a full report on Exploration and Feasibility Study report including changes based on Indonesian national standards and signed by a competent person as long as there are competent people in accordance with statutory provisions for mineral metal commodities, non-metal minerals, and coal;
 - cc. compile a full report of Exploration and Feasibility Study report of rock commodities signed by the person in charge of the company; and
 - dd. submit a complete Exploration Report if there are additions and changes in resources based on the results of Advanced Exploration for holders of Production Operation IUP or Production Operation IUPK.

- (2.) In applying the principles of good mining techniques as referred to in paragraph (1) letter c, holders of IUP or IUPK must implement:
 - a. mining technical management;
 - b. mining safety management;
 - c. environmental management and monitoring mining, including reclamation and post-mining activities;
 - d. efforts to conserve the mineral and coal resources;
 - e. management of the remainder of a mine from a mining business activity in solid, liquid, or gas form until it meets 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 technical rules as referred to in paragraph (2), holders of IUP and IUPK must:
 - a. appoint the head of mining engineering as the supreme leader in the field authorized by the chief mine inspector;
 - b. has competent mining technical personnel in accordance with statutory provisions; and
 - c. has an operational supervisor who has an operational supervisor card that is approved by the chief mine inspector.
- (4) In the event that the holder of a Production Operation IUP or Production Operation IUPK conducts the Mining using the underground Mining method, the holder of Production Operation IUP or Production Operation IUPK shall appoint an underground mine head authorized by the chief mine inspector.
- (5) If the holder of a Production Operation IUP or Production Operation IUPK uses explosives in the conduct of its mining business activities, it is required to have a blow-up permit card from the chief mine inspector.
- (6) To support the application of mining labor competency standards as referred to in paragraph (1) letter s, the holders of IUP and IUPK must 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

his authority to carry out part of the authority and duties of the chief mine inspector in:

- a. authorizing the head of mining engineering;
 - b. issuing the operational supervisory cards;
 - c. authorizing the head of the underground mine;
 - d. issuing the blowout permit cards;
 - e. approving the construction of explosive storage/stockpiling facilities;
 - f. approving the construction of liquid fuel storage / storage facilities;
 - g. providing the purchase recommendations and use of explosives;
 - h. approving the implementation of sleep blasting;
 - i. receiving the internal and/or external audit reports on the implementation of a mineral and coal mining safety management system;
 - j. determining the level of achievement of the implementation of the mineral and coal mining safety management system and provide recommendations in order to achieve the objectives of the implementation of the mineral and coal mining safety management system; and
 - k. evaluating the reports on the results of maintenance and maintenance of production operation WIUP mark or WIUPK production operation that has been installed and established.
- (7.) The head of the provincial regional service in charge of energy and mineral resources in the context of carrying out the tasks referred to in paragraph (7) involves the mining inspector placed in the provincial regional service.

Article 63

The holder of a Production Operation IUP or Production Operation IUPK prior to carrying out production operation activities shall submit a request for commissioning test to the Minister or governor in accordance with their authority.

Article 64

- (1.) In the event that the holder of an IUP or IUPK will make changes to shares, he must first obtain the approval of the Minister or governor in accordance with his authority before being registered with the ministry that carries out government affairs in the legal field.

- (2.) The Minister or governor in accordance with his authority can reject the application for a change of shares as referred to in paragraph (1) if the holder of an IUP or IUPK based on the evaluation results does not show good mining business performance.
- (3.) IUP or IUPK holders who have made the changes to the directors and / or commissioners are required to submit reports to the Minister or governor in accordance with their authority not later than 14 (fourteen) working days after getting authorization from the ministry that carries out government affairs in the field of law.

Article 65

In the event of an error in the implementation of mining business activities that have a direct negative impact on the community, holders of IUP or IUPK are required to pay appropriate compensation to the people directly affected by the negative provisions in accordance with statutory provisions.

Paragraph 3

Prohibition

Article 66

The Holders of IUP or IUPK are prohibited from:

- a. selling the mining products overseas before processing and / or refining them domestically in accordance with statutory provisions;
- b. selling the mining products that are not from the results of mining itself;
- c. conducting the blending activities originating from holders of Production Operation IUP, Production Operation IUPK or People's Mining Permit, without the approval of the Director General or the governor in accordance with their authority;
- d. carrying out the processing and/or refining of mining results that do not have an IUP, People's Mining Permit, or IUPK;
- e. involving the subsidiaries and/or affiliates engaged in mining services business in the implementation of mining business activities without the approval of the Director General on behalf of the Minister;
- f. holding the People's Mining Permit, a Special Production Operation IUP for processing and/or refining, a Special Production Operation IUP for transportation and sales, and IUJP;

- g. guaranteeing IUP or IUPK and / or its mining commodities to other parties;
- h. conducting the General Investigation, Exploration, and Feasibility Studies activities before the Exploration IUP Annual RKAB is approved;
- i. carrying out the construction, mining, processing and/or Purification, as well as Transportation and Sales, including Advanced Exploration activities before the Annual RKAB IUP Production Operation is approved;
- j. carrying out the mining business activities in prohibited places in accordance with statutory provisions; and
- k. transferring its IUP or IUPK to another party without the approval of the Minister or governor in accordance with their authority.
- l. transferring the shares so that the ownership of BUMN and/or BUMD shares in Business Entities holding IUPK become less than 51% (fifty one percent) for IUPK owned by BUMN and/or BUMD.

The second part

Rights, Obligations, and Prohibition of IUP Holders of Special Production Operations for Processing and / or Purification

Paragraph 1 Rights

Article 67

The Holders of Production Operation IUP specifically for processing and/or refining are entitled to:

- a. process and/or purify the mining commodities originating from the holders of:
 - 1. Production Operation IUP;
 - 2. Production Operation IUPK;
 - 3. Production Operation IUP specifically for processing and / or refining;
 - 4. People's Mining Permit;
 - 5. Special Production Operation IUP for other transportation and sales;
 - 6. KK; and / or
 - 7. PKP2B;
- b. make the cooperation agreements with other parties in the use of waste and / or by-products of processing and / or refining for domestic industrial raw materials;
- c. mixe the commodity mining products to meet the buyer specifications; and

- d. utilize the public facilities and/or infrastructure to support business activities in accordance with statutory provisions.

Paragraph 2
Obligation

Article 68

- (1.) The Holders of Production Operation IUP specifically for processing and / or refining shall:
 - a. prepare and submit an Annual RKAB to the Minister or governor in accordance with their authority to obtain approval;
 - b. submit periodic the written reports on the Annual RKAB and the implementation of Mining business activities carried out;
 - c. obtain the approval for the use of foreign workers from agencies that carry out affairs in the field of manpower;
 - d. obtain the approval of changes in investment and sources of financing including changes in paid up capital and be placed in accordance with the approval of the Annual RKAB;
 - e. fulfill the processing and / or refining limits for selling overseas in accordance with statutory provisions;
 - f. comply with the benchmark price for the sale of minerals or coal in accordance with statutory provisions;
 - g. prioritize the meeting domestic mineral and coal needs;
 - h. appoint the technical and environmental responsible as the highest leader in the field authorized by the chief mine inspector;
 - i. have the competent Mining technical personnel in accordance with statutory provisions;
 - j. carry out the safety management Mining;
 - k. manage the finances in accordance with the Indonesian accounting system;
 - l. compile, implement, and submit the reports on the implementation of community development and empowerment programs in accordance with statutory provisions;
 - m. comply with the tolerance limit of environmental carrying capacity;

- n. guarantee the application of environmental standards and quality standards in accordance with the characteristics of an area.
 - o. maintain the function and carrying capacity of the relevant water resources in accordance with the provisions of the legislation;
 - p. comply with operational technical provisions of mining;
 - q. apply the mining labor competency standards;
 - r. administer every implementation of business activities;
 - s. prioritize the use of local workforce, domestic goods and services in accordance with statutory provisions; and
 - t. involve the local entrepreneurs in the vicinity of processing and / or refining facilities in accordance with statutory provisions.
- (2.) Annual RKAB approval as referred to in paragraph (1) letter a, letter b, and letter d is given based on an evaluation of the results of supervision of mining business activities from the previous year period.
- (3.) The Annual RKAB approval as referred to in paragraph (2) can be used as a recommendation for licensing in other agencies in accordance with statutory provisions.

Article 69

- (1.) The Holders of Production Operation IUP specifically for processing and / or refining before carrying out production operation activities are required to submit commissioning tests to the Minister or governor in accordance with their authority.
- (2.) Obtaining the approval of the Minister or governor in accordance with his authority before being registered with the ministry that carries out government affairs in the field of law.

Paragraph 3 Prohibition

Article 70

The Holders of Production Operation IUP specifically for processing and / or refining are prohibited:

- a. To carry out the processing and/or refining of mining products not originating from holders:
 - 1. Production Operation IUP;

2. Production Operation IUPK;
 3. Special Operation Production IUP for processing and/or purification;
 4. People's Mining Permit;
 5. Special Production Operation IUP for other transportation and sales;
 6. KK; and/or
 7. PKP2B;
- b. to have IUP, People's Mining Permit, IUPK, and IUJP; and
 - c. to transfer the Production Operation IUP specifically for processing and / or refining it to another party.

The Third Part
Rights, Obligations and Prohibition of IUJP Holders

Paragraph 1
The Rights

Article 71

The IUJP holders have the right to:

- a. carry out the activities in accordance with their line of business;
- b. change the business sectors listed on the IUJP by submitting an application for amendment to the Minister or governor in accordance with their authority; and
- c. get an IUJP extension after fulfilling the requirements.

Paragraph 2
Obligations

Article 72

The IUJP holders in carrying out their business activities shall :

- a. prioritize the domestic products;
- b. prioritize the appropriate local subcontractors competence;
- c. prioritize the local workforce;
- d. carry out the activities according to the type and line of business;
- e. submit any mining service contract documents with holders of IUJP, IUP, or IUPK to the Minister or governor in accordance with their authority,
- f. conduct the environmental management efforts in accordance with statutory provisions;

- g. optimize the local spending on mining goods and services needed in the implementation of business services;
- h. carry out the mining safety provisions in accordance with statutory provisions;
- i. compile and submit the activity reports to the Minister or governor in accordance with their authority and to holders of IUP or IUPK in accordance with statutory provisions;
- j. appoint the operational responsibility as the highest leader in the field;
- k. have the competent mining technical personnel in accordance with statutory provisions;
- l. use the equipment that has been tested for eligibility; and
- m. meet the provisions of the legislation in the mining services business.

**Paragraph 3
Prohibition**

Article 73

The Holders of IUJP are prohibited from:

- a. possessing IUP, People's Mining Permit, IUPK, Production Operation IUP specifically for processing and / or refining, and Production Operation IUP specifically for transportation and sales; and
- b. carrying out the activities that are not in accordance with IUJP.

The Fourth Part
Rights, Obligations, and Prohibition of Mining Business
License
Special Production Operations for Transportation and Sales

**Paragraph 1
Rights**

Article 74

The Holders of Production Operation IUP specifically for transportation and sales are entitled:

- a. to buy, transport, and sell mineral or coal mining commodities from holders:
 - 1. Production Operation IUP;
 - 2. Production Operation IUPK;
 - 3. Production Operation IUP specifically for processing and / or refining;

4. People's Mining Permit;
 5. Special Production Operation IUP for other transportation and sales;
 6. KK; and / or
 7. PKP2B; and
- b. to construct and/or utilize transportation and sales infrastructure facilities including stockpiles, docks, or special ports in accordance with statutory provisions.

**Paragraph 2
Obligations**

Article 75

Production Operation IUP holders specifically for transportation and sales are required to:

- a. submit a copy of the sales plan document each time adding regular cooperation through the information system;
- b. comply with the provisions of the legislation in the field of traffic and road transportation when using public road facilities, among others, adhering to the level of load capacity adjusted to the class of road, road density, and the risk of traffic accidents;
- c. submit the reports on the implementation of its activities to the Minister or governor in accordance with their authority periodically every 3 (three) months or at any time if necessary;
- d. submit the reports on the implementation of its activities through the Sales Verification Module periodically;
- e. submit a Verification Report issued by the surveyor every month to the Minister or governor in accordance with their authority within a period of not later than 10 (ten) days after the end of the calendar month.

**Paragraph 3
Prohibition**

Article 76

The Holders of Production Operation IUP specifically for transportation and sale are prohibited from:

- a. Carrying out Transportation and Sales of mineral or coal commodities not originating from holders:
 1. Production Operation IUP;
 2. Production Operation IUPK;

3. Production Operation IUP specifically for processing and / or refining;
 4. People's Mining Permit;
 5. Special Production Operation IUP for other transportation and sales;
 6. KK; and / or
 7. PKP2B;
- b. Carrying out the Transportation and Sales of mineral or coal mining commodities, in cross-provincial and / or cross-country areas for holders of IUP Production Operations specifically for transportation and sales issued by the governor;
 - c. buying the mineral or coal mining commodities at the mouth of the mine;
 - d. transferring the IUP to another party; and
 - e. having IUP, People's Mining Permit, IUPK, IUJP, Production Operation IUP specifically for processing and / or refining.

Article 77

Operating procedure:

- a. request, evaluation and issuance of Exploration IUP, Exploration IUPK and Production Operation IUP for sales;
- b. application, evaluation, issuance and extension of Production Operation IUP, Production Operation IUPK, Production Operation IUP specifically for processing and / or refining, Production Operation IUP specifically for transportation and sales, and IUJP; and
- c. application, evaluation and approval of partnership programs,
- d. stipulated in a Ministerial Decree.

CHAPTER VII BUDGETING WORK PLANS AND REPORTS

The First Part General

Article 78

The Holders of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, Production Operation IUP specifically for processing and / or refining shall :

- a. prepare and submit an Annual RKAB to the Minister or governor in accordance with their authority to obtain approval; and

- b. submit the periodic written reports on the Annual RKAB and the implementation of mining business activities carried out.

The Second Part
Work Plans and Annual Budgeting

Paragraph 1
Procedures for Submitting Work Plans and Annual Budgeting

Article 79

- (1.) The Holders of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK and Production Operation IUP specifically for processing and / or refining must submit the Annual RKAB to the Minister through the Director General or the governor in accordance with their authority within a period of:
 - a. not later than 30 (thirty) calendar days since the issuance of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, Production Operation IUP specifically for processing and/ or refining for Annual RKAB in the current year; and
 - b. not later than 90 (ninety) calendar days and no later than 45 (forty-five) calendar days before the end of the calendar year for the Annual RKAB the following year, for approval.
- (2.) In the case of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, Production Operation IUP specifically for processing and / or refining issued after a period of 45 (forty five) calendar days before the end of the calendar year, the holder of Exploration IUP, Exploration IUPK, Production Operation IUPK, Production Operation IUPK, Production Operation IUP specifically for processing and / or refining must submit the Annual RKAB to the Minister through the Director General or the governor in accordance with their authority to obtain approval within a period of:
 - a. before carrying out activities for the Annual RKAB in the current year; and
 - b. not later than the end of the calendar year for the Annual RKAB the following year.

Paragraph 2

Procedures for Evaluation and Approval of the Work Plans and
Annual Budgeting

Article 80

- (1.) The Director General on behalf of the Minister or governor in accordance with his authority evaluates the Annual RKAB submitted by the Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, Production Operation IUP specifically for processing and / or refining as referred to in Article 81.
- (2.) Based on the evaluation as referred to in paragraph (1), the Director General on behalf of the Minister or governor in accordance with his authority gives approval or response to the Annual RKAB no later than 14 (fourteen) working days after receipt of the complete Annual RKAB and correct.
- (3.) In the event that the Director General on behalf of the Minister or governor in accordance with his authority responds to the Annual RKAB, holders of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, Production Operation IUP specifically for processing and / or refining must submit improvements with regard to the Annual RKAB no later than 5 (five) working days from the receipt of the response to the Annual RKAB as referred to in paragraph (2).
- (4.) The Director General on behalf of the Minister or governor in accordance with his authority gives approval to the Annual RKAB within a period of no later than 14 (fourteen) working days from the receipt of the revision of the Annual RKAB as referred to in paragraph (3).
- (5.) In the case that the Director General on behalf of the Minister or governor in accordance with his authority does not give approval to the Annual RKAB within the period referred to in paragraph (2) or paragraph (4), holders of Exploration IUP, Exploration IUPK, Production Operation IUP, IUPK Production Operations, IUP Production Operations specifically for processing and or refining can carry out mining activities in accordance with the Annual RKAB submitted as referred to in Article 79 until the Director General on behalf of the Minister or governor in accordance with his authority to give approval.

Article 81

Guidelines for the preparation, submission, evaluation and/or approval of the Annual RKAB are stipulated in a Ministerial Decree.

The Third Part Report

Article 82

- (1.) The Holders of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, Production Operation IUP specifically for processing and / or refining, or Production Operation IUP specifically for transportation and sale, and IUJP must compile and submit reports covering:
- a. Periodic Reports;
 - b. Final report; and / or
 - c. Special report.
- (3.) Periodic Reports as referred to in paragraph (1) letter a consist of monthly reports and quarterly reports.

Article 83

- (1.) Exploration IUP holders or Exploration IUPKs are required to prepare and submit Periodic Reports as referred to in Article 82 paragraph (1) letter a to the Minister through the Director General or governor in accordance with their authority which includes:
- a. reporting on the Annual RKAB;
 - b. mining waste water quality report;
 - c. statistical reports on mine accidents and dangerous events;
 - d. statistical reports of labor diseases;
 - e. reporting on the implementation of reclamation in the context of the release or disbursement of reclamation guarantees; and
 - f. Internal audit report on the application of Management System
 - g. Mineral and Coal Mining Safety, in accordance with statutory provisions.
- (2.) Holders of Production Operation IUP or Production Operation IUPK are required to prepare and submit Periodic Reports as referred to in Article 82 paragraph (1) letter a to the Minister through the Director General or governor in accordance with his authority which includes to:

- a. report on the Annual RKAB;
 - b. mining waste water quality report;
 - c. conservation report;
 - d. statistical reports on mine accidents and dangerous events;
 - e. statistical reports of labor diseases;
 - f. report on the implementation of reclamation in the context of the release or disbursement of reclamation guarantees;
 - g. report on the implementation of post-mining in the context of disbursement of post-mining guarantees; and
 - h. internal audit report on the implementation of the Mineral and Coal Mining Safety Management System.
- (3.) Exploration IUP holders or Exploration IUPKs are required to prepare and submit Final Reports as referred to in Article 82 paragraph (1) letter b to the Minister through the Director General or governor in accordance with their authority which includes:
- a. full exploration report; and
 - b. Feasibility Study report.
- (4.) The Holders of Production Operation IUP or Production Operation IUPK shall compile and submit Final Report as referred to in Article 82 paragraph (1) letter b to the Minister through the Director General or governor in accordance with his authority which includes:
- a. report on the implementation of the installation of boundary marks; and
 - b. final report on production operations.
- (5.) The Holders of Production Operation IUP specifically for processing and / or refining must compile and submit Periodic Reports as referred to in Article 82 paragraph (1) letter a to the Minister through the Director General or governor in accordance with his authority which includes:
- a. to report on the Annual RKAB;
 - b. mining waste water quality report;
 - c. statistical reports on mine accidents and dangerous events;
 - d. statistical reports of labor diseases; and
 - e. internal audit report on the implementation of the Mineral and Coal Mining Safety Management System.
- (6.) IUJP holders must compile and submit Periodic Reports as referred to in Article 82 paragraph (1) letter a to the Minister through the Director General or governor

- in accordance with their authority through holders of IUP or IUPK which include:
- a. to report on the implementation of mining service business activities; and
 - b. internal audit report on the implementation of the Mineral and Coal Mining Safety Management System.
- (7.) The Holders of Production Operation IUP specifically for transportation and sales are required to prepare and submit Periodic Reports as referred to in Article 82 paragraph (1) letter a to the Minister through the Director General or governor in accordance with his authority which includes:
- a. report on the realization of mineral or coal purchases; and
 - b. report on the realization of sales of minerals or coal.

Article 84

The Holders of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, or Special Production Operation IUP for processing and / or purification must compile and submit Special Reports as referred to in Article 82 paragraph (1) letter c to the Minister through the Director General or governor in accordance with its authority which includes:

- a. accident notification report early;
- b. to report on the initial notification of a dangerous event;
- c. to report on the initial notification of events due to labor illness;
- d. occupational disease reports;
- e. environmental case report;
- f. mining technical review report; and / or
- g. external audit report on the application of the Mineral and Coal Mining Safety Management System.

Paragraph 1

Procedure for Submitting Periodic Reports

Article 85

- (1.) The Holders of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, and Production Operation IUP specifically for processing and/or refining, must submit Periodic Reports in the form of monthly reports to the Minister through the

Director General or governor in accordance with their authority in time period no later than 5 (five) calendar days after the end of each month except for mining wastewater quality reports no later than 15 (fifteen) calendar days after the end of each month.

- (2.) The Holders of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, Production Operation IUP specifically for processing and / or refining, and Production Operation IUP specifically for transportation and sale must submit Periodic Reports in the form of quarterly reports to the Minister through The Director General or the governor in accordance with his authority within a period of no later than 30 (thirty) calendar days after the end of each quarter.
- (3.) Guidelines for implementing the preparation, submission, evaluation, and / or approval of reports are stipulated in a Ministerial Decree.

Paragraph 2

Procedure for Submitting Final Report

Article 86

Guidelines for the preparation, submission, evaluation and / or approval of the Final Report are stipulated in a Ministerial Decree.

Paragraph 3

Procedure for Submitting the Special Reports

Article 87

- (1.) The Holders of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, and Production Operation IUP specifically for processing and / or purification are required to submit reports on accident notification or initial notification of dangerous events that have been prepared as referred to in Article 84 letter a and letter b shortly after the initial accident or the beginning of a dangerous event.
- (2.) The Holders of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, and Production Operation IUP specifically for processing and / or purification are required to submit preliminary reports of events due to labor illness that have been prepared as referred to in Article 84 letter

- c for a moment after the initial occurrence due to illness.
- (3.) The Holders of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, and Production Operation IUP specifically for processing and/or purification are required to submit reports on work-related diseases that have been prepared as referred to in Article 86 letter d shortly after the results are known. diagnosis and examination.
 - (4.) The Holders of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK and Production Operation IUP specifically for processing and/or purification must submit environmental case reports that have been prepared as referred to in Article 84 letter e no later than 1 x 24 hours after the environmental case.
 - (5.) The Holders of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK and Production Operation IUP specifically for processing and / or refining must submit a technical study report mining that has been prepared as referred to in Article 84 letter f shortly before implementing the change in mining technical activities.

Paragraph 4

Procedure for Evaluation and/or Report Approval

Article 88

- (1.) The Director General on behalf of the Minister or governor in accordance with his authority evaluates the monthly report or quarterly report as referred to in Article 82 paragraph (2).
- (2.) Based on the evaluation as referred to in paragraph (1), the Director General on behalf of the Minister or governor in accordance with his authority can respond to monthly or quarterly reports.
- (3.) In the case that the Director General on behalf of the Minister or governor in accordance with his authority provides responses to monthly reports or quarterly reports, Holders of Exploration IUP Holders, Exploration IUPK, Production Operation IUP, Production Operation IUPK, and Production Operation IUP specifically for processing and / or refining, Production Operation IUP specifically for transportation and sales are required to follow up the

response within 5 (five) working days from the receipt of the response as referred to in paragraph (2).

The Fourth Part
Change of Work Plans and Cost Budgeting and Report

Article 89

- (1.) The Holders of Production Operation IUP, Production Operation IUPK, or Production Operation IUP specifically for processing and / or refining can submit 1 (one) change in Annual RKAB in the current year.
- (2.) Changes to the Annual RKAB as referred to in paragraph (1) shall be submitted after the holder of Production Operation IUP, Production Operation IUPK, or Production Operation IUP specifically for processing and / or refining submits the first quarterly report and no later than July 31 of the current year.
- (3.) In the event of a force majeure, an obstacle or environmental carrying capacity, changes to the Annual RKAB may be submitted by holders of Production Operation IUP, Production Operation IUPK, or Production Operation IUP specifically for processing and / or purification of more than once.

Article 90

- (1.) The Director General on behalf of the Minister or governor in accordance with his authority evaluates the Annual RKAB changes submitted by holders of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, Production Operation IUP specifically for processing and / or purification, as referred to in Article 89.
- (2.) Based on the evaluation as referred to in paragraph (1), the Director General on behalf of the Minister or governor in accordance with his authority gives approval or response to changes in the Annual RKAB within a period of no later than 14 (fourteen) working days from the receipt of the annual RKAB change complete and correct.
- (3.) In the event that the Director General on behalf of the Minister or governor in accordance with his authority responds to changes in the Annual RKAB, holders of Exploration IUP or Exploration IUPK must submit improvements to changes in the Annual RKAB within a

period of no later than 5 (five) working days from receipt of the response for changes to the Annual RKAB as referred to in paragraph (2).

- (4.) The Director General on behalf of the Minister or governor in accordance with his authority grants approval for the amendment to the Annual RKAB no later than 14 (fourteen) working days from the receipt of an amendment to the amendment to the Annual RKAB as referred to in paragraph (3).

Article 91

The Holders of Exploration IUP, Exploration IUPK, Production Operation IUP, Production Operation IUPK, or Special Production Operation IUP for processing and / or refining must report changes in mining service business use in the current year to the Minister through the Director General or governor in accordance with their authority.

Article 92

The Holders of Production Operation IUP or Production Operation IUPK are required to submit changes to the Feasibility Study Report if there are changes in technical, economic, and environmental variables in accordance with statutory provisions.

Article 93

Guidelines for the preparation, submission, evaluation, and / or approval of changes to the Annual RKAB and reports are stipulated in a Ministerial Decree.

The Fifth Part

Annual Cost Budget Work Plan Information System and Report

Article 94

- (1.) The Director General on behalf of the Minister compiles a work plan information system and mineral and coal reports.
- (2.) The work plan information system and reports as referred to in paragraph (1) are prepared for:
- a. uniform format:
 1. work plan data and information;
 2. report data and information;
 3. evaluation and approval of the work plan; and
 4. evaluation and approval of the report; and

- b. homogenize the process:
 - 1. submission of work plans and reports;
 - 2. data management from work plan information and reports; and
 - 3. management of electronic records of work plans and reports.
- (3.) Annual RKAB and reports as referred to in Article 78 letter a and letter b shall be submitted in hard copy and electronic data (softcopy).
- (4.) The work plan information system and reports as referred to in paragraph (1) shall be prepared using universal information system technology.
- (5.) The Holders of IUP, IUPK, Production Operation IUP specifically for processing and / or refining, and Production Operation IUP specifically for transportation and sales are required to submit work plans and reports using information system technology as referred to in paragraph (1) insofar as they are available.

CHAPTER VIII
ADMINISTRATIVE SANCTIONS

Article 95

- (1.) The Holders of IUP, IUPK, Production Operation IUP specifically for processing and / or refining, IUJP, and Production Operation IUP specifically for transportation and sales, which do not comply with or violate the provisions as referred to in Article 62 paragraph (1) letter a or up to letter dd, paragraph (2) or up to paragraph (6), Article 63, Article 64, Article 65, Article 66 letter a or up to letter l, Article 68 paragraph (1) letter a or up to letter t, Article 69 paragraph (1) or paragraph (2), Article 70 letter a or up to letter c, Article 72 letter a or up to letter m, Article 73 letter a or letter b, Article 75 letter b or up to letter e, Article 76 letter b or up to letter e, Article 78 letter a or letter b, Article 79 paragraph (1) or paragraph (2), Article 80 paragraph (3), Article 82 paragraph (1) or up to paragraph (2) , Article 83 paragraph (1) or up to paragraph (7), Article 84 letter a or up to letter g, Article 85 paragraph (1) or up to paragraph (2), Article 87 paragraph (1) or up to d ith paragraph (5), Article 88 paragraph (3), Article 90 paragraph (3),

Article 91 and Article 92 are subject to administrative sanctions.

- (2.) Administrative sanctions referred to in paragraph 1. in the form of:
 - a. written warning;
 - b. temporary suspension of part or all business activities; and / or
 - c. revocation of permission.
- (3.) The administrative sanctions referred to in paragraph (2) are given by the Director General on behalf of the Minister or governor in accordance with their authority.

Article 96

The Holders of Production Operation IUP specifically for transportation and sales that do not comply with or violate the provisions referred to in Article 75 letter a or Article 76 letter a are given administrative sanctions in the form of license revocation.

Article 97

The written warnings as referred to in Article 95 paragraph (2) letter a are given at most 3 (three) times with a maximum warning period of 30 (thirty) calendar days each.

Article 98

- (1.) In the case of holders of IUP, IUPK, Production Operation IUP specifically for processing and/or refining, IUJP, and Production Operation IUP specifically for transportation and sales that get a written warning sanction after the end of the written warning period as referred to in Article 95 paragraph (2) letter a has not carried out its obligations, subject to administrative sanctions in the form of temporary suspension of part or all business activities as referred to in Article 95 paragraph (2) letter b.
- (2) Administrative sanctions in the form of temporary suspension of part or all of the business activities as referred to in paragraph (1) shall be imposed for a maximum period of 60 (sixty) calendar days.

Article 99

The administrative sanctions in the form of license revocation as referred to in Article 95 paragraph (2) letter c shall be imposed on holders of IUP, IUPK, IUP Production Operation specifically for processing and/or refining, IUJP, and

Production Operation IUP specifically for transportation and sale, which do not carry out obligations until the end of the period of imposition of sanctions in the form of temporary suspension of part or all of the business activities as referred to in Article 98 paragraph (2).

Article 100

The Minister or governor in accordance with his authority may impose administrative sanctions in the form of license revocation as referred to in Article 95 paragraph (2) letter c without going through the stages of administering administrative sanctions in the form of a written warning and temporary suspension of part or all business activities under certain conditions relating to:

- a. criminal violations committed by holders of IUP or IUPK based on court decisions;
- b. the results of the Minister's evaluation of the Production Operation IUP issued by the governor who has caused environmental damage and does not apply good mining rules;
- c. administrative violations as referred to in article 93 of this ministerial regulation; or
- d. the results of the evaluation of the issuance of IUP conducted by the Minister / governor in accordance with their authority in accordance with statutory provisions.

CHAPTER IX OTHER PROVISIONS

Article 101

- (1.) The holders of metal mineral Contracts of Work that will transform mining operations into IUPK Production Operations must submit an application to the Minister through the Director General.
- (2.) The application as referred to in paragraph (1) must be completed:
 - a. map and area coordinate area in accordance with statutory provisions;
 - b. proof of payment of fixed fees and production fees; and
 - c. annual RKAB.

Article 102

- (1.) The Director General on behalf of the Minister evaluates the application referred to in Article 101.
- (2.) The Minister shall grant Production Operation IUPK based on evaluation results as referred to in paragraph (1) in the event that the applicant for Production Operation IUPK has fulfilled the provisions of the legislation.

Article 103

- (1.) Production Operation IUPK as referred to in Article 102 is provided with the provisions of:
 - a. the first extension is given with a period of:
 1. as per the remaining period of the metal mineral work contract; and
 2. according to the period of the first extension for 10 (ten) years; and
 - b. can be given a second extension for 10 (ten) years.
- (2.) Production Operation IUPK as referred to in paragraph (1) has rights and obligations in accordance with statutory provisions.
- (3.) In the implementation of Production Operation IUPK, all approvals that have been given by the central government and regional governments shall remain valid as long as they do not conflict with the provisions of the legislation.

Article 104

Guidelines for implementing the application, evaluation and approval of Production Operation IUPK resulting from the change in the form of exploitation of metal mineral work contracts are stipulated in a Ministerial Decree.

Article 105

- (1.) The holder of the COW or PKP2B which will expire must submit an application to become an IUPK Production Operation extension to the Minister through the Director General within the fastest period of 2 (two) years and no later than 6 (six) months before the COW or PKP2B ends.
- (2.) The application referred to in paragraph (1) must meet at least the following requirements:
 - a. administrative;
 - b. technical;
 - c. environment; and
 - d. financial.

Article 106

- (1.) The Director General on behalf of the Minister evaluates the application referred to in Article 105.
- (2.) The Minister may approve or reject the application for an extended Production Operation IUPK based on the evaluation results as referred to in paragraph (1). The granting or rejection of an application for an IUPK Production Operation extension as referred to in paragraph
- (3.) Conducted within a period of no later than 2 (two) months before the COW or PKP2B ends.

Article 107

The extended Production Operation IUPK as referred to in Article 105 is:

- a. The first extension of Production Operation IUPK for applications submitted by KK or PKP2B holders that have not yet received an extension; or
- b. The second extension of Production Operation IUPK for applications submitted by KK or PKP2B holders who have obtained the first extension.

Article 108

- (1.) Extension Operation Production IUPK is granted for a period of 10 (ten) years.
- (2.) IUPK Production Operations of the first extension as referred to in paragraph (1) may be extended 1 (one) time for 10 (ten) years in accordance with statutory provisions.

Article 109

The extended Production Operation IUPK as referred to in Article 105 has rights and obligations in accordance with statutory provisions.

Article 110

Guidelines for implementing the application, evaluation and approval of an extended Production Operation IUPK are stipulated in a Ministerial Decree.

Article 111

In order to ensure the effectiveness of the implementation of activities Mineral and Coal mining business and guarantee a conducive business climate, the Minister can determine

Other provisions for Production Operation IUPK holders as a continuation of KK or PKP2B operations, taking into account:

- a. investment scale;
- b. operating characteristics;
- c. amount of production; and / or
- d. carrying capacity of the environment.

CHAPTER X TRANSITIONAL PROVISIONS

Article 112

When this Ministerial Regulation comes into force:

- a. Approval of the alluvial mineral Partnership Program that has been issued by the Minister is declared to remain in effect until the time period expires and must adjust to the provisions of this Ministerial Regulation;
- b. The Annual RKAB that has been submitted and/or approved by the Minister through the Director General or governor in accordance with his authority before the promulgation of this Ministerial Regulation continues to be recognized as the basis for mining operations, and must be adjusted to this Ministerial Regulation specifically related to the type of permit whose approval is issued in the RKAB Annual;
- c. Provisions regarding approval of the Annual RKAB, approval of changes in shares and reporting changes in directors and/or commissioners in this Ministerial Regulation shall apply to Contracts of Work and Coal Mining Concession Work Agreements;
- d. Requests for an increase in the stage of Exploration IUP or Exploration IUPK to Production Operation IUP or Production Operation IUPK which have been submitted to the Minister or governor in accordance with their authority prior to the promulgation of this Ministerial Regulation, can be processed according to the provisions of this Ministerial Regulation.

Article 113

When this Ministerial Regulation comes into force:

- a. Clear and Clean status and/or Clear and Clean Certificates that have been issued are declared to remain valid;
- b. Non-metal mineral IUP and rock IUP issued before the promulgation of this Ministerial Regulation does not

- require a Clear and Clean status and / or a Clear and Clean Certificate; and
- c. IUP issued after the promulgation of this Ministerial Regulation does not require the status of Clear and Clean.

**CHAPTER XI
CLOSING**

Article 114

- (1.) When this Ministerial Regulation comes into force:
- a. Regulation of the Minister of Energy and Mineral Resources Number 11 of 2018 concerning Procedures for Granting Territories, Licensing and Reporting on Mineral and Coal Mining Business Activities (State Gazette of the Republic of Indonesia of 2018 Number 295);
 - b. Regulation of the Minister of Energy and Mineral Resources Number 22 of 2018 concerning Amendment to the Regulation of the Minister of Energy and Mineral Resources Number 11 of 2018 concerning Procedures for Granting Territories, Licensing and Reporting on Mineral and Coal Mining Business Activities (State Gazette of the Republic of Indonesia of 2018 Number 528);
 - c. Regulation of the Minister of Energy and Mineral Resources Number 51 Year 2018 concerning Second Amendment to the Regulation of the Minister of Energy and Mineral Resources Number 11 Year 2018 concerning Procedures for Granting Areas, Licensing, and Reporting on Mineral and Coal Mining Business Activities (State Gazette of the Republic of Indonesia in 2018 Number 1592), revoked and declared invalid.
- (2.) When this Ministerial Regulation comes into force, the provisions regarding changes in directors and/or commissioners in the field of Mineral and Coal Mining as stipulated in Minister of Energy and Mineral Resources Regulation No. 48 of 2017 concerning Supervision of Businesses in the Energy and Mineral Resources Sector (Official Gazette of the Republic of Indonesia of 2017 Number 1079), is revoked and declared invalid.
- (3.) Ministerial Decree issued as a guideline of Regulation of the Minister of Energy and Mineral Resources Number 11 of 2018 concerning Procedures for Granting Territories, Licensing and Reporting on Mineral and Coal Mining Business Activities (State Gazette of the Republic of Indonesia of 2018 Number 295) as has been

amended several times, the latest by Regulation of the Minister of Energy and Mineral Resources Number 51 Year 2018 concerning the Second Amendment to the Regulation of the Minister of Energy and Mineral Resources Number 11 Year 2018 concerning Procedures for Granting Areas, Licensing, and Reporting on Mineral and Coal Mining Business Activities (State Gazette of the Republic of Indonesia of 2018 Number 1592) is declared to remain valid as long as it does not conflict with the provisions in this Ministerial Regulation;

Article 115

This Ministerial Regulation shall come into force on the date of promulgation.

For public cognizance, this Ministerial Regulation shall be promulgated by placing it in the State Gazette of the Republic of Indonesia.

Issued at Jakarta
Date: March 03, 2020

MINISTER OF ENERGY AND MINERAL RESOURCES
OF THE REPUBLIC OF INDONESIA,
Signed
ARIFIN TASRIF

Promulgated in Jakarta on March 6, 2020

GENERAL DIRECTOR
LAWS AND REGULATIONS
MINISTRY OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA,
signed
WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2020 NUMBER
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