

*(Unofficial English Translation)*

**LAW OF THE REPUBLIC OF INDONESIA  
NUMBER 4 OF 2008**

**REGARDING**

**MINERAL AND COAL MINING**

**WITH THE GRACE OF ALMIGHTY GOD,**

**THE PRESIDENT OF THE REPUBLIC OF INDONESIA,**

- Considering :
- a. that mineral and coal deposited in the Indonesian mining jurisdiction are non-renewable natural resources, as the blessing of Almighty God, that play an important role in fulfilling the needs of the public at large, therefore, the management thereof shall be controlled by the State to provide actual added value for the national economy in achieving the people's prosperity and welfare by exercising the principles of justice;
  - b. that mineral and coal mining business activities constituting mining business activities other than those of geothermal, petroleum and natural gas, as well as ground water, have played an important role in providing actual added value to the sustainable national economic growth and regional development;
  - c. that taking into consideration national and international development, Law No. 11 of 1967, regarding the Basic Provisions of Mining, is no longer suitable, it is necessary to amend the legislation on mineral and coal mining so as to be capable of creating independent, reliable, transparent, competitive, efficient and environmentally friendly management and utilization of mineral and coal potentials in order to ensure sustainable national development;
  - d. that based on considerations as meant in clauses (a), (b), and (c), it is deemed necessary to stipulate a law regarding mineral and coal mining;

In view of: Article 5 paragraph (1), Article 20 and Article 33 paragraphs (2) and (3) of the 1945 Constitution of the Republic of Indonesia;

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**with the collective approval of**  
**THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF INDONESIA,**  
**and**  
**THE PRESIDENT OF THE REPUBLIC OF INDONESIA,**

**RESOLVES**

**to stipulate:      LAW ON MINERAL AND COAL MINING**

**CHAPTER I**  
**GENERAL PROVISIONS**

**Article 1**

In this law, what is meant by:

1. Mining activity shall be a part of or the whole activity phase of mineral or coal research, management, and commercial operation that comprises general investigation, exploration, feasibility study, construction, mining, processing and refining, transporting and selling, as well as post-mining activities.
2. Mineral shall be an inorganic compound that is naturally formed and that has specific physical and chemical characteristics as well as regular crystal composition or a combination that forms bitumen, whether loose or solid.
3. Coal shall be carbon organic compound deposit that is naturally formed from plant residue.
4. Mineral mining shall be the mining of a collection of minerals constituting ores or rocks other than geothermal, oil and natural gas, and ground water.
5. Coal mining shall be the mining of carbon sediment found under ground, including solid bitumen, peat, and asphalt rocks.
6. Mining business shall be activities with respect to exploiting mineral or coal that comprise general investigation, exploration, feasibility study, construction, mining, processing and refining, transporting and selling, as well as post-mining activities.
7. Mining business license, hereinafter referred to as IUP, shall be the license required for conducting mining business.
8. IUP Exploration shall be the business license granted for undertaking general investigation, exploration and feasibility study activities.
9. IUP Production Operation shall be the business license granted following the completion of IUP Exploration to undertake the production operation activities.
10. People mining license, hereinafter referred to as IPR, shall be the license granted for undertaking mining business within limited People Mining Areas and with limited investment.
11. Specific mining business license, hereinafter referred to as IUPK, shall be the license granted for undertaking mining business in specific mining concession areas.
12. IUPK Exploration shall be the business license granted for undertaking general investigation, exploration, and feasibility study activities within specific mining concession areas.

13. IUPK Production Operation shall be the business license granted following the completion of IUPK Exploration to undertake production operation activities within specific mining concession areas.
14. General investigation shall be a phase in mining activity to ascertain regional geologic conditions and any indication of mineralization.
15. Exploration shall be a phase in mining business activity performed to obtain detailed and accurate information on the location, shape, dimension, spread, quality, and measured resources of excavated materials, as well as information on the social and life environmental.
16. Feasibility study shall be a phase in mining business activity performed to obtain detailed information on all related aspects required in determining the economic and technical feasibilities of a mining business, including the analysis of the environmental impacts and post-mining planning.
17. Production operation shall be a phase in mining business activity that covers construction, mining, processing, refining, including the transportation and sale as well as the environmental impact control facilities in accordance with the results of a feasibility study.
18. Construction shall be mining business activities to build all the production operational facilities including those for environmental impact control.
19. Mining shall be part of mining business activities to produce mineral and/or coal and the associated minerals.
20. Processing and refining shall be mining business activities to improve the quality of minerals and/or coal as well as to utilize and obtain the elements in minerals.
21. Transportation shall be mining business activities to move minerals and/or coal from the mining area or processing and refining area to the delivery area.
22. Sales shall be mining business activities for the marketing of minerals or coal products.
23. Business entity shall be every legal entity that operates in the mining sector and is incorporated based on the Indonesian law and domiciled within the territory of the unitary state of the Republic of Indonesia.
24. Mining Services shall be supporting services that are related to mining business activities.
25. Environmental Impact Analysis, hereinafter referred to as *amdal*, shall be reviews on the substantial and critical impacts of a planned business and/or activity on the environment, which is required for the decision-making process concerning the operation of a business and/or activity.
26. Reclamation shall be activities performed throughout all phases of mining business activities in organizing, recovering, and improving the quality of the environment and eco-system to enable the re-functioning of mining areas in accordance with the designation.
27. Post-mining activities, hereinafter referred to as *post-mining*, shall be planned, systematic and sustainable activities after the completion of part of or the whole mining business activities performed to restore the natural environmental and social functions of the local conditions in the whole mining areas.
28. Community Empowerment shall be efforts made to improve the capability of communities, both individually and collectively, to improve the level of their living conditions.
29. Mining Areas, hereinafter referred to as *WP*, shall be areas that have mineral and/or coal potential and are not bound by the borders of governmental administration areas that constitute part of the national landscaping.

30. Mining Business Areas, hereinafter referred to as WUP, shall be a part of a WP for which geological data, potential, information are available.
31. Mining Business License Areas, hereinafter referred to by WIUP, shall be areas granted to IUP holders.
32. People Mining Areas, hereinafter referred to by WPR, shall be part of a WP where people's mining business activities take place.
33. State Reserved Areas, hereinafter referred to by WPN, shall be part of a WP that is reserved for national strategic purposes.
34. Specific Mining Business Areas, hereinafter referred to by WUPK, shall be part of a WPN that can be commercially exploited.
35. Specific Mining Business License Areas within WUPK, hereinafter referred to by WIUPK, shall be areas granted to IUPK holders.
36. Central Government, hereinafter referred to as the Government shall be the President of the Republic of Indonesia who holds the executive power of the Republic of Indonesia as meant in the 1945 Constitution of the Republic of Indonesia.
37. Regional Governments shall be governors, regents or mayors, and regional apparatus that serve as executive elements of regional administration.
38. The Minister shall be the minister in charge of the mineral and coal mining sector.

## **CHAPTER II PRINCIPLES AND PURPOSES**

### **Article 2**

Mineral and/or coal mining shall be managed based on the principles of:

- a. benefit, justice and equitable distribution;
- b. favouring the interest of the nation;
- c. participation, transparency, and accountability;
- d. sustainability and care for the environment.

### **Article 3**

In supporting sustainable national development, mineral and coal management shall aim at:

- a. guaranteeing the implementation of and control over mining business activities in an effective, efficient and competitive manner;
- b. guaranteeing sustainable and environmentally friendly mineral and coal mining;
- c. guaranteeing the supply of mineral and coal as raw materials and/or as sources of energy for the domestic need;
- d. supporting and promoting the national capacity so as to be more capable of competing nationally, regionally and internationally;
- e. increasing the local and regional community, and state income, as well as creating job opportunities for the maximum welfare of the people; and
- f. guaranteeing legal certainty in carrying out mineral and coal mining business activities.

### **CHAPTER III CONTROL OF MINERALS AND COAL**

#### **Article 4**

- (1) Minerals and coal as non-renewable natural resources shall constitute national assets controlled by the state for the maximum welfare of the people.
- (2) The control of minerals and coal by the state as meant in paragraph (1) shall be executed by the Government or regional government.

#### **Article 5**

- (1) For the national interest, the Government after consulting with the House of Representatives of the Republic of Indonesia may stipulate the policies to prioritize minerals and/or coal for domestic interest.
- (2) National interest as meant in paragraph (1) may be conducted by controlling production and export.
- (3) In conducting the control as meant in paragraph (2), the Government shall be entitled to stipulate the volume of production of each commodity per year and for each province.
- (4) Regional governments shall be required to comply with the stipulation on the volume of production as required by the Government as meant in paragraph (3).
- (5) Subsequent provisions concerning the prioritizing of minerals and/or coal for domestic interest as meant in paragraph (1) and the control of production and export as meant in paragraphs (2) and (3) shall be stipulated by government regulation.

### **CHAPTER IV THE AUTHORITY FOR MINERAL AND COAL MINING MANAGEMENT**

#### **Article 6**

- (1) The Government's authority in the management of mineral and coal mining shall comprise among other things:
  - a. stipulation of the national policy;
  - b. drafting of statutory regulations;
  - c. stipulation of national standards, guidelines and criteria;
  - d. stipulation of the national mineral and coal mining licensing system;
  - e. stipulation of WP made in coordination with the regional government after consultation with the House of the Representatives of the Republic of Indonesia;
  - f. granting of IUP, the development, community conflict settlement, and supervision of mining business in cross-provincial and/or territorial waters exceeding 12 (twelve) miles off the coastline;
  - g. granting of IUP, the development, community conflict settlement, and supervision of mining business, the mining location of which is cross-provincial and/or in territorial waters exceeding 12 (twelve) miles off the coastline;
  - h. granting of IUP, the development, community conflict settlement, and supervision of Production Operation mining business with direct environmental

- impact on locations which are cross-provincial and/or in territorial waters exceeding 12 (twelve) miles off the coastline;
- i. granting of IUPK Exploration and Production Operation;
  - j. evaluating of any IUP Production Operation that is issued by regional governments, that has resulted in environmental damage or that does not appropriately implement sound mining practices;
  - k. stipulating of production, marketing, utilization and conservation policies;
  - l. stipulating of cooperation, partnership, and community empowerment policies;
  - m. formulating and stipulating non-tax state revenue from mineral and coal mining business;
  - n. nurturing and supervising mineral and coal mining management carried out by regional governments;
  - o. nurturing and supervising the preparation of regional regulation in mining;
  - p. inventory, investigation, and research and exploration in obtaining data and information on mineral and coal as material for the planning of WUP and WPN;
  - q. management of geological information, information on mineral and coal resource potential, and national mining information;
  - r. nurturing and supervising post-mining area reclamation;
  - s. preparation of mineral and coal resource balance at the national level;
  - t. development and increase of added value in mining business activities;
  - u. improvement of the capacity of the Government, provincial government, and regent/municipal government apparatuses in the management of mining business.
- (2) The Government's authority as meant in paragraph (1) shall be conducted pursuant to provisions of statutory regulations.

## **Article 7**

- (1) The authority of the provincial governments in the management of mineral and coal mining shall comprise:
- a. drafting of regional regulations;
  - b. the granting of IUP, the development, community conflict settlement, and supervision of mining business in cross-regency/municipal border areas and/or territorial waters of 4 (four) miles up to 12 (twelve) miles off the coastline;
  - c. the granting of IUP, the development, community conflict settlement, and supervision of Production Operation mining business in cross-regent/municipal and/or territorial waters of 4 (four) up to 12 (twelve) miles off the coastline;
  - d. the granting of IUP, the development, community conflict settlement, and supervision of mining business with direct environmental impact on cross-regent/municipal locations and/or territorial waters of 4 (four) miles up to 12 (twelve) miles off the coastline;
  - e. inventory, investigation and research and exploration in obtaining data and information on mineral and coal in accordance with their authorities;
  - f. management of geological information, information on mineral and coal resource potential, and mining information in regional/provincial areas;
  - g. the preparation of mineral and coal resource balance in regions/provincial areas;
  - h. development and increase of added value in mining business activities in provinces;

- i. development and improvement of the community's participation in mining business taking into account the environmental harmony;
  - j. coordinating of licenses and supervision in using explosives in accordance with their authorities;
  - k. delivering of information on the results of the inventory, general survey, research and exploration to the Minister and regent/mayor;
  - l. delivery of information with respect to production quantity, domestic sales, and export to the Minister and regent/mayor;
  - m. nurturing and supervision of post-mining area reclamation; and
  - n. improvement of the capacity of provincial and regent/municipal government's apparatus in the management of mining business.
- (2) The authority of the provincial government as meant in paragraph (1) shall be exercised pursuant to the laws and regulations.

### **Article 8**

- (1) The authority of the regent/municipal government in the management of mineral and coal mining shall comprise, among other things:
- a. drafting of regional regulations;
  - b. the granting of IUP and IPR, the development, community conflict settlement, and supervision of mining business in regent/municipal areas and/or territorial waters up to 4 (four) miles off the coastline;
  - c. the granting of IUP and IPR, the development, community conflict settlement, and supervision of Production Operation mining business, the activities of which are situated in regent/municipal areas and/or territorial waters of up to 4 (four) miles off the coastline;
  - d. inventory, investigation and research and exploration in obtaining data and information on mineral and coal;
  - e. management of geological information, information on mineral and coal resource potential, and mining information in regency/municipal areas;
  - f. the preparation of mineral and coal resource balance in regency/municipal areas;
  - g. development and empowerment of the local community in mining business taking into account the environmental harmony;
  - h. optimal development and increase of added value and benefits in mining business activities;
  - i. delivery of information on the results of inventory, general survey and research, as well as exploration and exploitation, to the Minister and governor;
  - j. delivery of information with respect to the production quantity, domestic sales, and export to the Minister and governor;
  - k. nurturing and supervising post-mining area reclamation; and
  - l. improvement of the capacity of the regent's/municipal government's apparatus in the management of mining business.
- (2) The authority of the regent/municipal government in the management of minerals and coal mining as meant in paragraph (1) shall be exercised in accordance with the laws and regulations.

**CHAPTER V  
MINING AREAS**

**First Part  
General**

**Article 9**

- (1) WP as part of the national landscaping constitutes a foundation in determining mining activities.
- (2) WP as meant in paragraph (1) shall be decided by the government following coordination with the regional government and consultation with the House of Representatives of the Republic of Indonesia.

**Article 10**

The determination of WP as meant in Article 9 paragraph (2) shall be exercised:

- a. be transparent, participative, and responsible
- b. integrate the opinions of related government agencies, the community, and consider ecological, economical, and social and cultural aspects, and environmentally friendly views.
- c. take into account regional aspirations.

**Article 11**

The Government and regional governments are required to perform a mining survey and research in preparing WP.

**Article 12**

Further provisions concerning the boundaries, size, and mechanism of determining WP as meant in Articles 9, 10 and 11 shall be stipulated by government regulation.

**Article 13**

WP shall consist of:

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



**Second Part  
Mining Business Areas**

**Article 14**

- (1) The determination of WUP shall be made by the Government following coordination with the regional government and delivered in writing to the House of Representatives of the Republic of Indonesia.
- (2) Coordination as meant in paragraph (1) shall be conducted with the related regional government based on the data and information owned by the Government and the regional government.

**Article 15**

The government may delegate a part of its authority in determining WUP as meant in Article 14 paragraph (1) to provincial governments in accordance with the provisions of laws and regulations.

**Article 16**

One WUP shall consist of 1 (one) or several WIUPs situated in cross-provincial areas, cross-regency/municipal areas, and/or in 1 (one) regency/municipal area.

**Article 17**

The size and boundaries of WIUP for metal, mineral and coal shall be decided by the Government in coordination with the regional government based on the criteria established by the Government.

**Article 18**

The criteria for determining 1 (one) or several WIUP in 1 (one) WUP shall be as follows:

- a. the geographical location;
- b. the conservation principles;
- c. the environmental carrying capacity;
- d. the optimization of mineral and/or coal resources; and
- e. the rate of population density.

**Article 19**

Further provisions concerning the procedures for determining of the boundaries and size of WIUP as meant in Article 17 shall be stipulated by government regulation.

**Third Part  
People Mining Areas  
Article 20**

People's mining activities shall be conducted within WPR.

**Article 21**

WPR as meant in Article 20 shall be determined by the regent/mayor following consultation with the regent/municipal level House of Representatives.

**Article 22**

The criteria for determining the WPR shall be as follows:

- a. having secondary mineral reserve found in river and/or between river banks;
- b. having primary metal or coal reserve with a maximum depth of 25 (twenty-five) meters;
- c. terrace sediment, flood plain, and prehistoric river sediment;
- d. maximum area for people mining area shall be 25 (twenty-five) hectares;
- e. mentioning the type of commodity that will be mined; and/or
- f. constituting areas or sites for people's mining activities that have been operated for at least 15 (fifteen) years.

**Article 23**

In determining the WPR as meant in Article 21, the regent/mayor shall be required to openly announce the WPR plan to the public.

**Article 24**

People mining areas or sites that have been operated but have not been determined as WPR shall be prioritized to be decided as WPR.

**Article 25**

Further provisions concerning the the guidelines and procedures in determining WPR as meant in Articles 21 and 23 shall be stipulated by government regulations.

**Article 26**

Further provisions concerning the criteria and mechanism for determining WPR as meant in Articles 22 and 23 shall be stipulated by regent/municipal regulations.

**Fourth Part  
State Reserve Area**

**Article 27**

- (1) To serve the national strategic purposes, the Government with the approval of the House of Representatives of the Republic of Indonesia and by taking into account regional aspirations shall decide WPN as areas reserved for certain commodities and for conservation areas in maintaining the ecosystem and environmental balance.
- (2) Part of the WPN areas decided for certain commodities as meant in paragraph (1) may be commercially operated with the approval of the House of Representatives of the Republic of Indonesia.
- (3) The time limit for WPN decided for conservation as meant in paragraph (1) shall be stipulated with the approval of the House of Representatives of the Republic of Indonesia.
- (4) The status of the areas that will be commercially utilized as meant in paragraphs (2) and (3) shall change into that of WUPK.

**Article 28**

The change of status of WPN as meant in Article 27 paragraphs (2), (3) and (4) into WUPK may be executed taking into account:

- a. the fulfillment of domestic industrial raw materials and energy;
- b. the State's foreign exchange sources;
- c. the condition of the areas based on the limitation of facilities and infrastructures;
- d. potential for development as centers of economic growth;
- e. environmental carrying capacity; and/or
- f. the application of high technology and big capital investment.

**Article 29**

- (1) WUPK, as meant in Article 27 paragraph (4), that will be commercially utilized shall be stipulated by the government following coordination with regional related government.
- (2) Mining business activities at WUPK as meant in paragraph (1) shall be executed in the form of IUPK.

**Article 30**

One WUPK shall consist of 1 (one) or several WIUPKs situated in cross-provincial areas, cross-regency/municipal areas, and/or in 1 (one) regent/municipal area.

**Article 31**

The size and boundaries of metal mineral and coal WIUPKs shall be stipulated by the Government in coordination with regional governments according to the criteria and information owned by the Government.

**Article 32**

The criteria for determining 1 (one) or several WIUPKs in 1 (one) WUPK shall be as follows:

- a. geographical location;
- b. conservation principles;
- c. environmental carrying capacity;
- d. optimization of mineral and/or coal resources;
- e. the rate of population density.

**Article 33**

Further provisions concerning the procedures for determining the size and boundaries of WIUPK as meant in Articles 31 and 32 shall be stipulated by government regulations.

**CHAPTER VI  
MINING BUSINESS**

**Article 34**

- (1) Mining business shall be categorized into:
  - a. mineral mining; and
  - b. coal mining.
- (2) Mineral mining as meant in paragraph (1) (a) shall be categorized into:
  - a. radioactive mineral mining;
  - b. metal mineral mining;
  - c. non-metal mineral mining; and
  - d. rock mining.
- (3) Further provisions concerning the decision of a mining commodity in a mineral mining category as meant in paragraph (2) shall be stipulated by government regulations.

**Article 35**

Mining business as meant in Article 34 shall be conducted in the following forms:

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

**CHAPTER VII  
MINING BUSINESS LICENSE**

**First Part  
General**

**Article 36**

- (1) IUP shall consist of two stages:
  - a. IUP Exploration comprising general investigation, exploration and feasibility studies;
  - b. IUP Production Operation comprising construction, mining, processing and refining activities as well as transporting and selling.
- (2) Holders of IUP Exploration and Production Operation may perform part of or all activities as meant in paragraph (1).

**Article 37**

IUP shall be issued by:

- a. regents/mayors in the case of WIUP being situated in one regency/municipal areas;
- b. governors in the case of WIUP being situated in a cross-border area within a regency/municipality in one province after having received recommendation from the local regent/mayor pursuant to the provisions of laws and regulations; and
- c. The Minister in the case of WIUP being situated in a cross-provincial area, after having received recommendation from the local governor and regent/mayor pursuant to the provisions of laws and regulations.

**Article 38**

IUP shall be issued to:

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

**Article 39**

- (1) IUP Exploration as meant in Article 36 paragraph (1) (a) shall contain provisions concerning at least:
  - a. name of the company;
  - b. location and size of the area;
  - c. general landscaping plan;
  - d. guarantee of seriousness;
  - e. investment capital;
  - f. extension of activity stage term;
  - g. rights and obligations of the IUP holder;
  - h. valid period of activity stages;
  - i. type of business granted;
  - j. plan for development and community empowerment in the surrounding mining areas.
  - k. taxation;
  - l. dispute settlement;
  - m. dead rent and exploration fees; and
  - n. environmental impact analysis.
  
- (2) Production Operational IUP as meant in Article 36 paragraph (1) (b) shall contain, provisions of no less than the following:
  - a. name of the company;
  - b. size of the area;
  - c. mining location;
  - d. processing and refining locations;
  - e. transportation and sales;
  - f. investment capital;
  - g. valid period of the mining business license;
  - h. period of activity stages;
  - i. settlement of land issues;
  - j. environmental obligations including reclamation and post-mining;
  - k. guarantee funds for reclamation and post-mining;
  - l. IUP extension;
  - m. the rights and obligations of IUP holders;
  - n. plan for development and empowerment of the community in the surrounding mining area;
  - o. taxation;
  - p. non-tax state revenue consisting of dead rent and production royalty;
  - q. dispute settlement;
  - r. occupational safety and health;
  - s. mineral and coal conservation;
  - t. utilization of domestic goods, services, and technology;
  - u. application of good economic and mining technical principles and;
  - v. development of Indonesian work force;
  - w. management of mineral or coal data; and
  - x. mastery, development and application of mineral or coal mining technology.

#### **Article 40**

- (1) IUP as meant in Article 36 paragraph (1) shall be granted for 1 (one) type of mineral or coal.
- (2) IUP holders as meant in paragraph (1) that find other minerals in WIUP being managed shall be given priority to exploit them.
- (3) IUP holders who intend to exploit other minerals as meant in paragraph (2), shall be required to apply for new IUP to the related minister, governor, and regent/mayor in accordance with their authority.
- (4) IUP holders as meant in paragraph (2) may express that he is not interested in exploiting the other minerals found.
- (5) IUP holders who are not interested in exploiting the other minerals found as meant in paragraph (4) shall be required to safeguard these other minerals to prevent their utilization by other parties.
- (6) IUP for other minerals as meant in paragraphs (4) and (5) may be issued for other parties by ministers, governors, and regents/mayors in accordance with their authority.

#### **Article 41**

IUP cannot be used for purposes other than what is meant in the granting of IUP.

### **Second Part IUP Exploration**

#### **Article 42**

- (1) IUP Exploration for metal mineral mining may be granted for a period of a maximum of 8 (eight) years.
- (2) IUP Exploration for non-metal mineral mining may be granted for a period of a maximum of 3 (three) years and those for specific types of non-metal minerals may be granted for a period of a maximum of 7 (seven) years.
- (3) IUP Exploration for rocks mining may be granted for a period of a maximum of 3 (three) years.
- (4) IUP Exploration for coal mining may be granted for a period of a maximum of 7 (seven) years.

#### **Article 43**

- (1) In the case of exploration and feasibility study activities, holders of IUP Exploration who discover excavated mineral and coal shall report it to the grantor of IUP.
- (2) Holders of IUP Exploration that intend to sell mineral and coal as meant in paragraph (1) shall apply for temporary license for transporting and selling.

#### **Article 44**

Temporary license as meant in Article 43 paragraph (2) shall be issued by the Minister, governors, or regents/mayors according to their authority.

#### **Article 45**

The excavated minerals or coal as meant in Article 43 shall be subjected to production royalty.

### **Third Part IUP Production Operation**

#### **Article 46**

- (1) Any IUP Exploration holder shall be guaranteed to obtain IUP Production Operation as the continuation of his mining business.
- (2) IUP Production Operation may be granted to business entities, cooperatives, or individuals as a result of a tender of mineral or coal WIUP that have already had data on the results of a feasibility study.

#### **Article 47**

- (1) IUP Production Operation for metal mineral mining may be granted for a period of a maximum of 20 (twenty) years and may be extended twice for 10 (ten) years each time.
- (2) IUP Production Operation for non-metal mineral mining may be granted for a period of a maximum of 10 (ten) years and may be extended twice for 5 (five) years each time.
- (3) IUP Production Operation for the mining of certain types of non-metal mineral may be granted for a period of a maximum of 20 (twenty) years and may be extended twice for 10 (ten) years each time.
- (4) IUP Production Operation for rock mining may be granted for a period of a maximum of 5 (five) years and may be extended twice for 5 (five) years each time.
- (5) IUP Production Operation for coal mining may be granted for a period of a maximum of 20 (twenty) years and may be extended twice for 10 (ten) years each time.

#### **Article 48**

Production Operation IUP shall be issued by:

- a. Regents/mayors in the case of the mining, processing and refining locations and the port being situated within one regency/municipal region;
- b. Governors in the case of the mining, processing and refining locations and the port being situated in different regencies/municipal regions, after obtaining recommendation from the local regent/mayor in accordance with provisions of laws and regulations; and



- c. The Minister in the case of the mining location, the processing and refining location and the ports being situated in different provinces, after obtaining recommendation from the local governor and regent/mayor in accordance with provisions of laws and regulations.

#### **Article 49**

Subsequent provisions concerning the procedures of the granting of IUP Exploration as meant in Article 42 and IUP Production Operation as meant in Article 46 shall be stipulated by government regulations.

### **Fourth Part Mineral Mining**

#### **Paragraph 1 Radioactive Mineral Mining**

#### **Article 50**

Radioactive mineral WUP shall be decided by the government and the commercial operation shall be executed in accordance with the provisions of laws and regulations.

#### **Paragraph 1 Metal Mineral Mining**

#### **Article 51**

Metal mineral WIUP shall be granted to business entities, cooperatives and individuals by way of tender.

#### **Article 52**

- (1) Holders of metal mineral IUP Exploration shall be provided with WIUP with an area of no less than 5,000 (five thousand) hectares and no more than 100,000 (one hundred thousand) hectares.
- (2) IUP may be provided in areas where another metal mineral exploration IUP has already been provided to a different party for the exploitation of another mineral of a different occurrence.
- (3) Provision of IUP as meant in paragraph (2) shall be made after considering the opinions of the initial IUP holder.

**Article 53**

Holders of metal mineral IUP Production Operation shall be provided with WIUP with a maximum area of 25,000 (twenty-five thousand) hectares.

**Paragraph 3  
Non-metal Mineral Mining**

**Article 54**

Non-metal mineral WIUP shall be granted to business entities, cooperatives, and individuals by way of area application submitted to the license issuer as meant in Article 37.

**Article 55**

- (1) Holders of IUP for non-metal mineral exploration shall be provided with WIUP with an area of no less than 500 (five hundred) hectares and a maximum land area of 25,000 (twenty-five thousand) hectares.
- (2) IUP may be provided in areas where another non-metal mineral exploration IUP has been provided to a different party for the exploitation of another mineral of a different occurrence.
- (3) IUP as meant in paragraph (2) shall be granted after considering the opinion of the initial IUP holder.

**Article 56**

Holders of non-metal mineral IUP Production Operation shall be provided with WIUP with a maximum area of 5,000 (five thousand) hectares.

**Paragraph 4  
Rock Mining**

**Article 57**

WIUP for rock mining shall be provided to business entities, cooperatives, and individuals by submitting an application to the license issuers as meant in Article 37.

**Article 58**

- (1) Holders of rock IUP Exploration shall be provided with WIUP with an area of no less than 5 (five) hectares and a maximum area of 5,000 (five thousand) hectares.
- (2) IUP may be provided in areas that have been provided with rock exploration IUP to a different party for the exploitation of another mineral of a different occurrence.

- (3) The granting of IUP as meant in paragraph (2) shall be made after considering the opinions of the initial IUP holder.

#### **Article 59**

Holder of rocks IUP Production Operation shall be provided with WIUP with a maximum area of 1,000 (one thousand) hectares.

### **Fifth Part Coal Mining**

#### **Article 60**

Coal WIUP shall be granted to business entities, cooperatives and individuals by way of tender.

#### **Article 61**

- (1) Holders of coal exploration IUP shall be provided with WIUP with an area of no less than 5,000 (five thousand) hectares and a maximum area of 50,000 (fifty thousand) hectares.
- (2) IUP may be provided in areas where another coal exploration IUP has been provided to a different party for the exploitation of another mineral of a different occurrence.
- (3) IUP as meant in paragraph (2) shall be granted after considering the opinions of the initial IUP holder.

#### **Article 62**

Holders of coal IUP Production Operation shall be provided with WIUP with a maximum area of 15,000 (fifteen thousand) hectares.

#### **Article 63**

Further provisions concerning the procedures for obtaining WIUP as meant in Articles 51, 54, 57, and 60 shall be stipulated by government regulations.

**CHAPTER VIII  
REQUIREMENTS FOR MINING BUSINESS LICENSING**

**Article 64**

Government and regional governments, in accordance with their authority, shall be required to announce the mining business activity plan in the WIUP as meant in Article 16 and openly provide details of IUP Exploration and IUP Production Operation as meant in Article 36 to the public.

**Article 65**

- (1) Business entities, cooperatives, and individuals as meant in Articles 51, 54, 57, and 60 that operate mining business shall be required to meet administrative, technical, environmental and financial requirements.
- (2) Subsequent provisions concerning the administrative, technical, environmental and financial requirements as meant in paragraph (1) shall be stipulated by government regulations.

**CHAPTER IX  
PEOPLE MINING LICENSE**

**Article 66**

People's mining activities as meant in Article 20 shall be categorized as follows:

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

**Article 67**

- (1) Regents/mayors shall grant IPR particularly to the local community, either as individuals or community groups and/or cooperatives;
- (2) Regents/mayors may delegate the IPR granting execution authority as meant in paragraph (1) to sub-district heads in accordance with provisions of laws and regulations.
- (3) To obtain IPR as meant in paragraph (1) applicants shall be required to submit an application to the regent/mayor.

**Article 68**

- (1) The size of the area for 1 (one) IPR that can be provided to:
  - a. individuals shall be no larger than 1 (one) hectare;
  - b. community groups shall be no larger than 5 (five) hectares; and/or
  - c. cooperatives shall be no larger than 10 (ten) hectares.
- (2) IPR shall be provided for a period of no longer than 5 (five) years and may be extended.

**Article 69**

IPR holders shall be entitled to:

- a. obtain assistance and supervision in occupational safety and health, environment, mining techniques and management from the Government and/or regional government; and
- b. receive capital assistance in accordance with the provisions of laws and regulations.

**Article 70**

IPR holders shall be required to:

- a. perform mining activities no later than 3 (three) months after the issuance of IPR;
- b. comply with laws and regulations in occupational work safety and health in the mining industry, environmental management, and meet prevailing standards;
- c. manage the environment together with the regional government;
- d. pay dead rent and production royalty; and
- e. submit periodic reports on the execution of people's mining business activities to the grantor of IPR.

**Article 71**

- (1) In addition to the obligations as meant in Article 70, holders of IPR in performing people's mining activities as meant in Article 66 shall be required to comply with provisions of technical mining requirements.
- (2) Further provisions concerning technical mining requirements as meant in paragraph (1) shall be stipulated by government regulation.

**Article 72**

Further provisions concerning the procedures of granting IPR shall be stipulated by regency/municipal regulations.

### **Article 73**

- (1) Regency/municipal government shall offer assistance in the field of business undertaking, mining technology, as well as in capital and marketing in improving people's mining business capacity.
- (2) Regency/municipal government shall be responsible for the technical safety of community mining business, covering:
  - a. work safety and health;
  - b. environmental management; and
  - c. post-mining.
- (3) In implementing technical safety as meant in paragraph (2), the regency/municipal government shall be required to appoint mining inspector functional officials in accordance with provisions of laws and regulations.
- (4) Regency/municipal government shall be required to record the production quantity of all the people's mining business activities located within their regions and report them periodically to the relevant minister and local governor.

## **CHAPTER X SPECIFIC MINING BUSINESS LICENSE**

### **Article 74**

- (1) IUPK shall be granted by the Minister taking into consideration the regional interest.
- (2) IUPK as meant in paragraph (1) shall be granted for 1 (one) type of metal mineral or coal in 1 (one) WIUPK.
- (3) IUPK holders as meant in paragraph (1) that find another mineral in the WIUPK being managed shall be given priority to exploit it.
- (4) IUPK holders that intend to exploit other minerals as meant in paragraph (2) shall be required to apply to the Minister for new IUPK.
- (5) IUPK holders as meant in paragraph (2) may express that they are not interested in exploiting the other mineral found.
- (6) IUPK holders who are not interested in exploiting the other minerals found as meant in paragraph (4), shall be required to safeguard the any other minerals to prevent their utilization by other parties.
- (7) IUPK for other minerals as meant in paragraphs (4) and (5) may be issued to other parties by the Minister.

### **Article 75**

- (1) IUPK as meant in Article 74 paragraph (1) shall be granted in accordance with considerations as meant in Article 28.
- (2) IUPK as meant in paragraph (1) may be granted to business entities having legal entity in Indonesia, constituting state-owned enterprises, region-owned enterprises, as well as private business enterprises.
- (3) State-owned enterprises and region-owned enterprises as meant I paragraph (2) shall receive priority in obtaining IUPK.

- (4) Private business entities as meant in paragraph (2) shall obtain IUPK by way of WIUPK tender.

#### **Article 76**

- (1) IUPK shall consist of two stages:
  - a. IUPK Exploration shall comprise general investigation, exploration, and feasibility study activities;
  - b. IUPK Production Operation shall comprise construction, mining, processing and refining, as well as transporting and selling activities.
- (2) Holders of IUPK Exploration and Production Operation may perform a part of or all activities as meant in paragraph (1).
- (3) Further provisions concerning the procedures of obtaining IUPK as meant in paragraph (1) shall be stipulated by government regulations.

#### **Article 77**

- (1) Any holders of IUPK Exploration shall be guaranteed to obtain IUPK Production Operation as the continuance of their mining business activities.
- (2) IUPK Production Operation may be provided to business entities that have Indonesian legal entity as meant in Article 75 paragraphs (3) and (4) that have already had the results of a feasibility study.

#### **Article 78**

IUPK Exploration as meant in Article 76 paragraph (1) (a) shall contain, at least, details of the following:

- a. name of the company;
- b. size and location of the area;
- c. general landscaping plan;
- d. guarantee of seriousness;
- e. investment capital;
- f. extension of activity stage term;
- g. rights and obligations of the IUPK holder;
- h. period of time of the activity stage;
- i. type of business granted;
- j. plan for development and empowerment of the community in the surrounding mining areas;
- k. taxation;
- l. settlement of disputes on land issues;
- m. dead rent and exploration fees; and
- n. environmental impact analysis.

### **Article 79**

The Production Operational IUPK as meant in Article 76 paragraph (1) (b) shall contain, no less than the following:

- a. name of the company;
- b. size of the area;
- c. mining location;
- d. location of the processing and refining;
- e. transportation and sales;
- f. investment capital;
- g. activity stage period;
- h. settlement of disputes on land issues;
- i. environmental issues including reclamation and post-mining;
- j. guarantee funds for reclamation and post-mining;
- k. effective term of IUPK;
- l. IUPK extension;
- m. rights and obligations;
- n. plan for development and empowerment of the community in the surrounding mining area;
- o. taxation;
- p. dead rent and production royalty as well as the portion of state/regional revenue consisting of the sharing of net profit since production;
- q. dispute settlement;
- r. occupational safety and health;
- s. mineral and coal conservation;
- t. utilization of domestic goods, services, technology and engineering and design capabilities;
- u. application of good economic and mining technical principles;
- v. development of Indonesian workforce;
- w. management of mineral or coal data;
- x. mastery , development and application of mineral and coal mining technology; and
- y. share divestment.

### **Article 80**

IUPK cannot be used for purposes other than as meant in the issuance of IUPK.

### **Article 81**

- (1) In the case of exploration and feasibility study activities, holders of IUPK Exploration who discover excavated metal mineral or coal shall report it to the Minister.
- (2) Holders of IUPK Exploration that intend to sell metal mineral or coal as meant in paragraph (1) shall apply for a temporary license for transporting and selling.
- (3) Temporary license as meant in paragraph (2) shall be issued by the Minister.

### **Article 82**

The excavated mineral or coal as meant in Article 81 shall be subjected to production royalty.



### **Article 83**

Requirements for the size of mining areas and the period shall be in accordance with prevailing mining business categories for holders of IUPK, covering:

- a. the size of 1 (one) WIUPK for metal mineral mining Exploration shall be provided covering a maximum area of 100,000 (one hundred thousand) hectares.
- b. the size of 1 (one) WIUPK for metal mineral mining Production Operation activities shall be provided covering a maximum area of 25,000 (twenty-five thousand) hectares.
- c. the size of 1 (one) WIUPK for coal mining Exploration shall be provided covering a maximum area of 50,000 (fifty thousand) hectares.
- d. the size of 1 (one) WIUPK for coal mining Production Operation activities shall be provided covering a maximum area of 15,000 (fifteen thousand) hectares.
- e. metal mineral mining Exploration IUPK may be granted for a maximum period of 8 (eight) years.
- f. coal mining Exploration IUPK may be granted for a maximum period of 7 (seven) years.
- g. metal mineral or coal Production Operation IUPK may be provided for a maximum period of 20 (twenty) years and may be extended 2 (two) times of 10 (ten) years each.

### **Article 84**

Further provisions concerning the procedures for obtaining WIUPK as meant in Article 74 paragraphs (2) and (3) and Article 75 paragraph (3) shall be stipulated by government regulations.

## **CHAPTER XI REQUIREMENTS FOR SPECIFIC MINING BUSINESS LICENSING**

### **Article 85**

The government shall be required to openly announce mining business activity plans in the WIUPK as meant in Article 30 and openly provide IUPK Exploration and IUPK Production Operation as meant in Article 76 to the public.

### **Article 86**

- (1) Business entities as meant in Article 75 paragraph (2) that perform activities in WIUPK shall be required to fulfill administrative, technical, environmental and financial requirements.
- (2) Further provisions concerning administrative, technical, environmental and financial requirements as meant in paragraph (1) shall be stipulated by government regulations.

**CHAPTER XII  
MINING DATA**

**Article 87**

To support the preparation of mining areas and the development of mining science and technology, ministers or governors, in accordance with their authority, may assign state and/or research agencies to perform mining surveys and research.

**Article 88**

- (1) Data obtained from mining business activities shall constitute state-owned and/or region-owned data in accordance with their authority.
- (2) Mining business data owned by the regional government shall be required to be reported to the state for national-level mining data management.
- (3) Data as meant in paragraph (1) shall be managed by the state and/or regional government in accordance with their authority.

**Article 89**

Further provisions concerning the procedures of survey and research assignments as meant in Article 87 and data management as meant in Article 88 shall be stipulated by government regulations.

**CHAPTER XIII  
RIGHTS AND OBLIGATIONS**

**First Part  
Rights**

**Article 90**

Holders of IUP and IUPK may perform part of or all the mining business stages, including Exploration and Production Operation activities.

**Article 91**

Holders of IUP and IUPK may utilize public infrastructures and facilities for mining purposes after fulfilling provisions of laws and regulations.

### **Article 92**

Holders of IUP and IUPK shall be entitled to own minerals including associated minerals, or coal that have been produced provided they have paid exploration or production royalty, except for radioactive associated minerals.

### **Article 93**

- (1) Holders of IUP and IUPK may not transfer their IUP and IUPK to other parties.
- (2) Transfer of ownership and/or shares in the Indonesian stock exchange may only be made after the performance of a certain stage of exploration activities.
- (3) Transfer of ownership and/or shares as meant in paragraph (2) may only be made on the following conditions:
  - a. after notifying the relevant minister, governor, or regent/mayor in accordance with their respective authority; and
  - b. provided it does not contradict provisions of laws and regulations.

### **Article 94**

Holders of IUP and IUPK shall be guaranteed their rights to perform mining business in accordance with provisions of laws and regulations.

## **Second Part Obligations**

### **Article 95**

Holders of IUP and IUPK shall be required to:

- a. implement proper principles of mining technique;
- b. manage their finances in accordance with the Indonesian accounting system;
- c. increase the added value of mineral and /or coal resources;
- d. execute the development and empowerment of the local community;
- e. comply with the tolerance limit of the environmental carrying capacity.

### **Article 96**

In implementing proper principles of mining technique, holders of IUP and IUPK shall be required to perform:

- a. fulfill mining occupational safety and health requirements;
- b. ensure mining operational safety;
- c. perform mining area management and monitoring, including reclamation and post-mining activities;
- d. undertake conservation efforts for mineral and coal resources;

- e. manage the tailings of mining business activities in solid, liquid or gas forms, up to the fulfillment of environmental quality standards, prior to being released to the environment.

#### **Article 97**

Holders of IUP and IUPK shall be required to guarantee the implementation of environmental quality standards in accordance with the local characteristics.

#### **Article 98**

Holders of IUP and IUPK shall be required to maintain the harmony of the function and carrying capacity of the related water resource in accordance with the provisions of laws and regulations.

#### **Article 99**

- (1) Any holder of IUP and IUPK shall be required to submit reclamation and post-mining plans on the application for IUP Production Operational or IUPK Production Operation.
- (2) The reclamation and post-mining activities shall be executed in accordance with the designation of the post-mining area.
- (3) The designation of the post-mining area as meant in paragraph (2) shall be mentioned in the land-use agreement between the holder of IUP and IUPK and the holder of the land title.

#### **Article 100**

- (1) Holders of IUP and IUPK shall be required to provide for reclamation and post-mining guarantee funds.
- (2) The Minister, governor, or regent/mayor, in accordance with their authority, may decide on a third party to perform the reclamation and post-mining activity using guarantee fund as meant in paragraph (1).
- (3) The provisions as meant in paragraph (2) shall be enacted in cases where holders of IUP and IUPK fail in performing reclamation and post-mining activities in accordance with the approved plan.

#### **Article 101**

Subsequent provisions concerning reclamation and post-mining activities as meant in Article 99 and the guarantee fund for reclamation and post-mining activities as meant in Article 100 shall be stipulated by government regulations.

**Article 102**

Holders of IUP and IUPK shall be required to increase the added value of mineral and/or coal resources in the execution of mining, processing and refining, and the utilization of mineral and coal.

**Article 103**

- (1) Holders of Production Operation IUP and IUPK shall be required to perform processing and refining of domestic mining production;
- (2) Holders of Production Operation IUP and IUPK as meant in paragraph (1) may process and refine the mining production of other holders of IUP and IUPK.
- (3) Further provisions concerning the increasing of added value as meant in Article 102 and the processing and refining as meant in paragraph (2) shall be stipulated by government regulations.

**Article 104**

- (1) In the processing and refining activities, holders of Production Operation IUP and Production Operation-IUPK as meant in Article 104 may cooperate with business entities, cooperatives, or individuals that have been provided with IUP or IUPK.
- (2) IUP obtained by business entities as meant in paragraph (1) shall be Specific Production Operation IUP for the processing and refining activities issued by the Minister, governors, regents/mayors in accordance with their respective authority.
- (3) Holders of IUP and IUPK as meant in paragraph (1) shall be restricted from performing processing and refining of mining production that is not provided with IUP, IPR or IUPK.

**Article 105**

- (1) Business entities that do not operate in mining business and intend to sell excavated mineral and/or coal shall be required to initially obtain Production Operation IUP for the selling activities.
- (2) IUP as meant in paragraph (1) shall only be issued for 1 (one) time selling by the Minister, governor, or regent/mayor in accordance with their respective authorities.
- (3) The excavated mineral or coal that will be sold as meant in paragraph (1) shall be subjected to production royalty.
- (4) Business enterprises as meant in paragraphs (1) and (2) shall be required to file a report on the sale proceeds of the excavated mineral and/or coal to the Minister, governors, or regents/mayors in accordance with their authority.

**Article 106**

Holders of IUP and IUPK shall be required to prioritize the use of local labor and domestic goods and services in accordance with provisions of laws and regulations.

**Article 107**

In performing Production Operation activities, IUP and IUPK holding business entities shall be required to involve local entrepreneurs operating in the region in accordance with provisions of statutory regulations.

**Article 108**

- (1) Holders of IUP and IUPK shall be required to prepare community development and empowerment programs.
- (2) The preparation of the programs and plans as meant in paragraph (1) shall be discussed with the Government, regional government and the community.

**Article 109**

Subsequent provisions concerning the execution of the community development and empowerment programs as meant in Article 108 shall be stipulated by government regulations.

**Article 110**

Holders of IUP and IUPK shall be required to submit all data obtained from the Exploration and Production Operation activities to the Minister, governors, or regents/mayors in accordance with their authority.

**Article 111**

- (1) Holders of IUP and IUPK shall be required to file periodic written reports about the work plan and the execution of mineral and coal mining business activities to the Minister, governor, or regent/mayor in accordance with their authority.
- (2) Subsequent provisions concerning the format, type, time and procedures for the filing of the report as meant in paragraph (1) shall be stipulated by government regulations.

**Article 112**

- (1) After performing production activities for 5 (five) years, IUP and IUPK holding business entities whose shares are owned by foreign investors shall be required to divest their shares to the Government, regional government, state-owned business enterprises, region-owned business enterprises, or national private business enterprises.

- (2) Subsequent provisions concerning the share divestment as meant in paragraph (1) shall be stipulated by government regulations.

**CHAPTER XIV  
TEMPORARY HALTING OF ACTIVITIES OF MINING BUSINESS LICENSE AND  
SPECIAL MINING BUSINESS LICENSE**

**Article 113**

- (1) Temporary discontinuation of mining business activities may be imposed on IUP and IUPK holders in the following cases:
  - a. force majeure;
  - b. restraining conditions that result in the termination of part of or all mining business activities;
  - c. where the environmental carrying capacity of the area cannot bear the burden of the mineral and/or coal production operational activities performed.
- (2) Temporary discontinuation of mining business activities as meant in paragraph (1) shall not reduce the effective period of IUP and IUPK.
- (3) Application for temporary discontinuation of mining business activities as meant in paragraph (1) (a) and (b) shall be submitted to the Minister, governors, or regents/mayors in accordance with their authority.
- (4) Temporary discontinuation as meant in paragraph (1) (c) may be effected by mining inspectors or performed based on public request to the Minister, governors, or regents/mayors in accordance with their authority.
- (5) The Minister, governors, or regents/mayors, in accordance with their authorities shall be required to issue a written decision of the approval or rejection of the application as meant in paragraph (3), provided with the reasons, no later than 30 (thirty) days after the receipt of the application.

**Article 114**

- (1) The period for temporary discontinuation due to force majeure and/or restraining conditions that prevent activities as meant in Article 113 paragraph (1) shall be issued for no longer than 1 (one) year and may be extended no more than 1 (one) time for 1 (one) year.
- (2) In the case that within the period prior to the expiration of the temporary discontinuation, IUP and IUPK holders are ready to perform their operational activities, the activities shall be required to be reported to the Minister, governors, regents/mayors in accordance with their authority.
- (3) The Minister, governors, or regents/mayors, in accordance with their authority, shall cancel any temporary discontinuation decision after receiving the report as meant in paragraph (2).

### **Article 115**

- (1) In the case of temporary discontinuation of mining business being imposed due to force majeure as meant in Article 113 paragraph (1) (a), the obligation of IUP and IUPK to the Government and the regional government shall no longer be effective.
- (2) In the case of temporary discontinuation of mining business being imposed due to restraining conditions that prevent mining business activities as meant in Article 113 paragraph (1) (b), the obligation of IUP and IUPK to the Government and the regional government shall remain effective.
- (3) In the case of temporary discontinuation of mining business being imposed due to the condition of the environmental carrying capacity of the region as meant in Article 113 paragraph (1) (c), the obligation of IUP and IUPK to the Government and the regional government shall remain effective.

### **Article 116**

Subsequent provisions concerning temporary discontinuation of mining business activities as meant in Articles 113, 114, and 115 shall be stipulated by government regulations.

## **CHAPTER XV TERMINATION OF MINING BUSINESS LICENSE AND SPECIFIC MINING BUSINESS LICENSE**

### **Article 117**

IUP and IUPK shall terminate due to:

- a. being returned;
- b. being revoked; or
- c. being expired.

### **Article 118**

- (1) Holders of IUP or IUPK may return their IUP or IUPK by making a written statement to the Minister, governors, or regents/mayors, in accordance with their authority, mentioning clear reasons.
- (2) The returning of IUP or IUPK as meant in paragraph (1) shall be declared as valid after being approved by the Minister, governors, or regents/mayors in accordance with their authority and after the fulfillment of their obligations.

### **Article 119**

IUP or IUPK may be revoked by the Minister, governors or regents/mayors, in accordance with their authority, in the cases of:



- a. IUP or IUPK holders failing to fulfill their obligations as stipulated in the IUP or IUPK and laws and regulations;
- b. IUP or IUPK holders committing criminal acts as meant in this Law; or
- c. IUP or IUPK holders being declared bankrupt.

#### **Article 120**

In the event that the period provided in IUP and IUPK expires and no application is made for the increase or extension of the activity stages, or application is made but does not meet the requirements, the IUP and IUPK shall terminate.

#### **Article 121**

- (1) IUP or IUPK holders whose IUP or IUPK terminates due to the reasons as meant in Articles 117, 118, 119, and 120 shall be required to meet and complete their obligations pursuant to the provisions of laws and regulations.
- (2) The obligations of IUP or IUPK holders as meant in paragraph (1) shall be deemed as fulfilled after obtaining the approval of the Minister, governors, or regents/mayors in accordance with their authority.

#### **Article 122**

- (1) IUP or IUPK that has been returned, revoked or that has expired as meant in Article 121 shall be returned to the Minister, governors, or regents/mayors in accordance with their authority.
- (2) WIUP or WIUPK whose IUP or IUPK terminates as meant in paragraph (1) shall be offered to business entities, cooperatives, or individuals by the mechanism according to provisions of this Law.

#### **Article 123**

In the case of the termination of IUP or IUPK, holders of IUP or IUPK shall be required to deliver all the data obtained from the Exploration and Production Operation to the Minister, governors, or regents/mayors in accordance with their authority.

### **CHAPTER XVI MINING SERVICE BUSINESS**

#### **Article 124**

- (1) Holders of IUP or IUPK shall be required to use the local and/or national mining service companies.
- (2) In the case of unavailability of mining service companies as meant in paragraph (1), holders of IUP or IUPK may use other mining service companies that have Indonesian legal entity.

- (3) Types of mining service business comprise:
- a. consultation, planning, implementation and testing of equipment in:
    - 1) general survey;
    - 2) exploration;
    - 3) feasibility study;
    - 4) mining construction;
    - 5) transportation;
    - 6) mining environment;
    - 7) post-mining and reclamation; and/or
    - 8) occupational safety and health.
  
  - b. consultation, planning, and testing of equipment in:
    - 1) mining; or
    - 2) processing and refining.

#### **Article 125**

- (1) In the case of IUP or IUPK holders using mining services, the responsibility for the mining business activities remains with the IUP or IUPK holders.
- (2) The executor of mining service business may constitute business entities, cooperatives, or individuals in accordance with the classification and qualification as stipulated by the Minister.
- (3) Mining service business players shall be required to prioritize local contractors and labor.

#### **Article 126**

- (1) IUP or IUPK holders shall not be allowed to involve their subsidiaries and/or affiliated companies operating in mining business within their commercially-operated working areas, except with approval from the Minister.
- (2) The approval as meant in article (1) may be issued by the Minister on the following conditions:
  - a. no mining company/ies of the same type is/are found in the area; or
  - b. no interested/capable mining company/ies is/are available.

#### **Article 127**

Subsequent provisions concerning mining service business operation as meant in Articles 124, 125, and 126 shall be stipulated by ministerial regulations.

**CHAPTER XVII  
STATE AND REGIONAL REVENUES**

**Article 128**

- (1) IUP or IUPK holders shall be required to pay state revenue and regional revenue.
- (2) State revenue as meant in paragraph (1) shall comprise tax revenue and non-tax state revenue.
- (3) Tax revenue as meant in paragraph (2) shall comprise:
  - a. taxes under the government's authority, in accordance with provisions of tax laws;
  - b. import duty and excise.
- (4) Non-tax state revenue as meant in paragraph (2) shall comprise:
  - a. dead rent;
  - b. exploration royalty;
  - c. production royalty; and
  - d. compensation for information data.
- (5) Regional revenue as meant in paragraph (1) shall comprise:
  - a. regional tax;
  - b. regional dues; and
  - c. other valid revenues in accordance with provisions of laws and regulations.

**Article 129**

- (1) Production Operation IUPK holders for metal mineral and coal mining shall be required to pay 4% (four percent) of their net profit to the state and 6% (six percent) of their net profit to regional governments as of the start of their production.
- (2) The share of the regional governments as meant in paragraph (1) shall be stipulated as follows:
  - a. the provincial government shall receive a 1% (one percent) share;
  - b. the regent/municipal government shall receive a 2.5% (two and half percent) share; and
  - c. the government of any other regency/city within the same province shall receive a 2.5% (two and half percent) share.

**Article 130**

- (1) IUP or IUPK holders shall not be subjected to production royalty as meant in Article 128 paragraph (4) (c) or regional tax and regional dues as meant in Article 128 paragraph (5) on excavated soil/rocks during mining operation.
- (2) IUP or IUPK holders shall be subjected to production royalty as meant in Article 128 paragraph (4) (c) on the utilization of excavated soil/rocks during mining operation.

**Article 131**

The amount of tax revenue and non-tax state revenue collected from IUP, IPR or IUPK holders shall be stipulated in accordance with provisions of laws and regulations.

**Article 132**

- (1) The tariff of production royalty shall be stipulated based on the level of commercial operation, production, and price of mining commodity.
- (2) The tariff of production royalty as meant in paragraph (1) shall be stipulated in accordance with provisions of laws and regulations.

**Article 133**

- (1) Non-tax state revenue as meant in Article 128 paragraph (4) shall be state revenue and regional revenue, the allocation of which shall be stipulated in accordance with provisions of laws and regulations.
- (2) Non-tax state revenue constituting regional shares shall be directly paid to the related regional treasury once every 3 (three) months after payment is made to the State Treasury.

**CHAPTER XVIII  
LAND USE FOR MINING BUSINESS ACTIVITIES**

**Article 134**

- a. The rights on WIUP, WPR, or WIUPK shall not include rights on earth surface land.
- b. Mining business activities may not be operated on areas where mining business activities are prohibited, in accordance with provisions of laws and regulations.
- c. Mining business activities as meant in paragraph (2) may be operated after obtaining the approval of related governmental agencies in accordance with provisions of laws and regulations.

**Article 135**

Holders of Exploration IUP or IUPK may only perform their activities after obtaining the approval of the holders of the land title.

**Article 136**

- (1) Prior to performing Production Operation activities, holders of IUP or IUPK shall settle the title of the land with the title holder in accordance with provisions of laws and regulations.
- (2) The settlement of the land title as meant in paragraph (1) may be conducted in stages, based on the land need of IUP or IUPK holders.

**Article 137**

IUP or IUPK holders as meant in Articles 135 and 136 who have settled their land title may be granted the land title in accordance with to provisions of laws and regulations.

**Article 138**

Titles on IUP, IPR, or IUPK shall not constitute the ownership of titles on land.

**CHAPTER XIX  
COMMUNITY DEVELOPMENT, SUPERVISION AND PROTECTION**

**Section One  
Development and Supervision**

**Article 139**

- (1) The Minister shall be in charge of the development of mining business operation conducted by provincial and regency/municipal governments pursuant to their authority.
- (2) The development meant in paragraph (1) shall include:
  - a. the provision of mining business operation guidelines and standards;
  - b. the provision of guidance, supervision, and consultation;
  - c. education and training; and
  - d. planning, research, development, monitoring, and evaluation of mineral and coal mining business operation.
- (3) The Minister may assign a governor to provide the guidance of mining business authority as meant in paragraph (1) conducted by regency/municipal government.
- (4) The Minister, governors, or regents/majors, in accordance with their authority, shall be responsible of providing guidance for mining business activities operated by IUP, IPR, or IUPK holders.

**Article 140**

- (1) The Minister shall supervise mining business management operated by provincial and regency/municipal governments in accordance with their authority.
- (2) The Minister may assign governors to supervise mining business authority as meant in paragraph (1) operated by regent/municipal government.
- (3) The Minister, governors, or regents/majors, in accordance with their authority, shall supervise the execution of mining business activities operated by IUP, IPR or IUPK holders.

### **Article 141**

- (1) Supervision as meant in Article 140 shall cover the following areas:
  - a. mining techniques;
  - b. marketing;
  - c. finance;
  - d. mineral and coal data processing;
  - e. conservation of mineral and coal resources;
  - f. mining occupational safety and health;
  - g. safety in mining operations;
  - h. environmental, reclamation and post-mining management;
  - i. the utilization of domestic goods, services, and technology, as well as domestic engineering and design engineering;
  - j. the development of mining technical work human resources;
  - k. the development and empowerment of the community surrounding the mining areas;
  - l. the mastery, development, and implementation of mining technology;
  - m. other activities in mining business activity related to public interest;
  - n. IUP or IUPK management; and
  - o. the amount, type, and quality of mining production.
- (2) The supervision as meant in paragraph (1) items (a), (e), (f), (g), (h), and (l) shall be performed by mining inspectors in accordance with provisions of laws and regulations.
- (3) In the event that a provincial government or regency/municipal government does not have a mining inspector, the Minister may assign appointed mining inspectors to perform development and supervision as meant in paragraph (2).

### **Article 142**

- (1) Governors and regents/mayors shall be required to report to the Minister on the execution of mining business activities in their respective region no less than once in 6 (six) months.
- (2) The Government may issue warnings to regional governments in the event that the exercise of their authority does not comply with provisions of this Law and the provisions of other laws and regulations.

### **Article 143**

- (1) Regents/mayors shall be in charge of the development and supervision of People's mining business.
- (2) Subsequent provisions concerning the development and supervision of People's mining shall be stipulated by regency/municipal regional regulations.

**Article 144**

Subsequent provisions concerning the standards and procedures of the development and the supervision as meant in Articles 139, 140, 141, 142, and 143 shall be stipulated by government regulations.

**Second Part  
Public Protection**

**Article 145**

- (1) Communities who suffer from direct negative impacts of mining activities shall be entitled to:
  - a. receive appropriate compensation for the failure in the commercial operation of mining activities in accordance with provisions of laws and regulations.
  - b. file a lawsuit to the court for the loss resulting from mining commercial operation that breach regulations.
- (2) Provisions concerning community protection as meant in paragraph (1) shall be stipulated in accordance with provisions of laws and regulations.

**CHAPTER XX  
RESEARCH AND DEVELOPMENT AS WELL AS EDUCATION AND TRAINING**

**First Part  
Research and Development**

**Article 146**

The Government and regional governments shall be required to encourage, execute, and/or facilitate the implementation of mineral and coal research and development.

**Second Part  
Education and Training**

**Article 147**

The Government and regional governments shall be required to encourage, execute, and/or facilitate the implementation of education and training in the field of mineral and coal undertaking.

### **Article 148**

The execution of education and training activities may be conducted by the Government, regional governments, private parties and the public.

## **CHAPTER XXI INVESTIGATION**

### **Article 149**

- (1) In addition to investigation officers of state police of the Republic of Indonesia, civil servant officials whose scope of duty and responsibility is in mining shall be provided with special authority as investigators in accordance with provisions of laws and regulations.
- (2) Civil servant investigators as meant in paragraph (1) shall be authorized to:
  - a. investigate the correctness of reports or information related to criminal acts committed in mining business activities;
  - b. investigate individuals or entities that are suspected of committing criminal acts in mining business activities;
  - c. summon and/or present under duress individuals for hearing and investigation as criminal crime witnesses or suspects in mining business activities;
  - d. search places and/or facilities suspected of being used for criminal acts in mining business activities;
  - e. investigate mining business activity facilities and infrastructures and discontinue the use of equipment suspected of being used for criminal acts;
  - f. seal and/or seize mining business activity equipment as evidence of criminal acts;
  - g. present and/or request the assistance of experts deemed necessary in relation to investigation of mining business activity criminal acts; and/or
  - h. discontinue investigation of criminal acts in mining business.

### **Article 150**

- (1) Civil servant investigators as meant in Article 149 may arrest perpetrators of criminal acts in mining business activities.
- (2) Civil servant investigators as meant in paragraph (1) shall inform the police officer of the Republic of Indonesia of the initial investigation and submit to him the investigation result in accordance with provisions of laws and regulations.
- (3) Civil servant investigators as meant in paragraph (1) shall be required to discontinue their investigation in the case of insufficient evidence and/or the incident not constituting a criminal act.
- (4) The authority as meant in paragraphs (2) and (3) shall be exercised in accordance with provisions of statutory regulations.



**CHAPTER XXII  
ADMINISTRATIVE SANCTIONS**

**Article 151**

- (1) The Minister, governors, or regents/mayors, in accordance with their authority, shall be entitled to impose administrative sanctions on holders of IUP, IPR, or IUPK for the breach of provisions as meant in Article 40 paragraph (3), Article 40 paragraph (5), Article 41, Article 43, Article 70, Article 71 paragraph (1), Article 74 paragraph (4), Article 74 paragraph (6), Article 81 paragraph (1), Article 93 paragraph (3), Article 95, Article 96, Article 97, Article 98, Article 99, Article 100, Article 102, Article 103, Article 105 paragraph (3), Article 105 paragraph (4), Article 107, Article 108 paragraph (1), Article 110, Article 111 paragraph (1), Article 112 paragraph (1), Article 114 paragraph (2), Article 115 paragraph (2), Article 125 paragraph (3), Article 126 paragraph (1), Article 128 paragraph (1), Article 129 paragraph (1), or Article 130 paragraph (2).
- (2) Administrative sanctions as meant in paragraph (1) shall constitute:
  - a. written warning;
  - b. temporary discontinuation of part of or the entire Exploration or Production Operation activity; and/or
  - c. cancellation of IUP, IPR, or IUPK.

**Article 152**

In the event that regional governments do not implement provisions as meant in Article 151 and results of the evaluation by the Minister as meant in Article 6 paragraph (1) (j), the Minister may temporarily halt and/or cancel IUP or IPR pursuant to provisions of laws and regulations.

**Article 153**

In the event that regional governments object to the temporary halt and/or cancellation of IUP and IPR by the Minister as meant in Article 152, regional governments may file an objection in accordance with provisions of laws and regulations.

**Article 154**

Any dispute occurring in the implementation of IUP, IPR or IUPK shall be settled in domestic court and arbitration in accordance with provisions of laws and regulations.

**Article 155**

Any legal consequence that arises as a result of the temporary halt and/or cancellation of IUP, IPR or IUPK as meant in Article 151 paragraph (2) (b) and (c) shall be settled in accordance with provisions of laws and regulations.

**Article 156**

Subsequent provisions concerning the procedures for implementing administrative sanctions as meant in Articles 151 and 152 shall be stipulated by government regulations.

**Article 157**

Regional governments that do not comply with the provisions as meant in Article 5 paragraph (4) shall be subjected to administrative sanctions constituting temporary cancellation of authority on their rights to manage mineral and coal business.

**CHAPTER XXIII  
CRIMINAL PROVISIONS**

**Article 158**

Any individual that operates mining business activities without being provided with IUP, IPR or IUPK as meant in Article 37, Article 40 paragraph (3), Article 48, Article 67 paragraph (1), Article 74 paragraph (1) or (5) shall be subjected to a an imprisonment sanction of no longer than 10 (ten) years and a fine of no higher than Rp10,000,000,000.00 (ten billion rupiah).

**Article 159**

Holders of IUP, IPR or IUPK that purposefully file incorrect reports or deliver false information as meant in Article 43 paragraph (1), Article 70 (e), Article 81 paragraph (1), Article 105 paragraph (4), Article 110, or Article 111 paragraph (1) shall be subjected to an imprisonment penalty of no longer than 10 (ten) years and a fine of no higher than Rp10,000,000,000.00 (ten billion rupiah).

**Article 160**

- (1) Any individual that operates exploration activities without being provided with IUP or IUPK as meant in Article 37 and Article 74 paragraph (1) shall be subjected to an imprisonment penalty of no longer than of 1 (one) year or a fine penalty of no higher than Rp200,000,000.00 (two hundred million rupiah).
- (2) Any individual that is provided with Exploration IUP but performs Production Operation activities shall be subjected to an imprisonment penalty of no longer than

5 (five) years and a fine penalty of no higher than Rp10,000,000,000.00 (ten billion rupiah).

**Article 161**

Any individual or holder of Production Operation IUP or Production Operation IUPK that accommodates, utilizes, processes or refines, transports, or sell minerals or coal that do not originate from holders of IUP, IUPK or licenses as meant in Article 37, Article 40 paragraph (3), Article 43 paragraph (2), Article 48, Article 67 paragraph (1), Article 74 paragraph (1), Article 81 paragraph (2), Article 103 paragraph (2), Article 104 paragraph (3), or Article 105 paragraph (1) shall be subjected to an imprisonment penalty of no longer than 10 (ten) years and a fine penalty of no higher than Rp10,000,000,000.00 (ten billion rupiah).

**Article 162**

Any individual that impedes or prevents mining business activities conducted by holders of IUP and IUPK that have fulfilled requirements as meant in Article 136 paragraph (2) shall be subjected to an imprisonment penalty of no longer than 1 (one) year or a fine penalty of no higher than Rp100,000,000.00 (ten million rupiah).

**Article 163**

- (1) In the event that criminal acts as meant in this chapter are committed by a legal entity, in addition to imprisonment and fine penalties being subjected to its management, other criminal sanctions that may be imposed upon the legal entity, in the form of an additional fine penalty being charged amounting to 1/3 (one third) of the provided maximum fine penalty.
- (2) In addition to criminal sanctions as meant in paragraph (1), legal entities may be penalized with additional criminal sanctions constituting:
  - a. the cancellation of business license; and/or
  - b. the cancellation of legal entity status.

**Article 164**

In addition to provisions as meant in Article 158, Article 159, Article 160, Article 161, and Article 162, the criminal act perpetrators may be subjected to additional criminal sanctions constituting:

- a. seizure of goods used in committing the criminal act;
- b. seizure of profit obtained as a result of the committed crime;
- c. obligation to pay the cost incurred by the committed crime.

**Article 165**

Any individual who issues IUP, IPR or IUPK that contradict this Law and who abuses his authority shall be subjected to an imprisonment penalty of no longer than 2 (two) years and a fine of no higher than Rp200,000,000.00 (two hundred million rupiah).

**CHAPTER XXIV  
OTHER PROVISIONS**

**Article 166**

Any issues arising in the implementation of IUP, IPR or IUPK related to the environmental impacts shall be settled in accordance with provisions of laws and regulations.

**Article 167**

Mining areas shall be managed by the Minister within a nationally-integrated mining area information system prepared for the purpose of standardization of the coordinate system and basic mapping on the issue of WUP, WIUP, WPR, WPN, WUPK and WIUPK.

**Article 168**

To increase investment in mining industry, the Government may provide tax relief and facilities in accordance with provisions of laws and regulations unless otherwise provided in IUP or IUPK.

**CHAPTER XXV  
TRANSITIONAL PROVISIONS**

**Article 169**

With this law taking effect:

- a. Contracts of Work and Coal Contract of Work existing prior to the effectiveness of this Law shall remain effective up to the expiration of the contracts/agreements.
- b. Provisions contained in the articles of Contract of Work and Coal Contract of Work agreements as meant in clause (a) shall be adjusted no later than 1 (one) year after the promulgation of this Law except for the state revenue.

- c. Exceptions for the state revenue as meant in clause (b) shall constitute efforts in increasing the state revenue.

#### **Article 170**

Holders of Contracts of Work as meant in Article 169 that have operated production shall be required to perform refining as meant in Article 103 paragraph (1) no later than 5 (five) years from the promulgation of this Law.

#### **Article 171**

- (1) Holders of Contracts of Work and Coal Contracts of Work as meant in Article 169 that have performed exploration activities, feasibility study, construction, or Production Operation stages no later than 1 (one) year after the effectiveness of this Law shall submit their activity plan for the whole contract/agreement area up to the expiration of the contract/agreement in order to obtain the approval of the Government.
- (2) In the event that the provisions as meant in article (1) fail to be fulfilled, the mining area that has been granted to the holders of the Contracts of Work and Coal Contracts of Work shall be adjusted by this Law.

#### **Article 172**

The application of a Contract of Work and Coal Contract of Work that has already been submitted to the Minister no later than 1 (one) year prior to the effectiveness of this Law and has been provided with principle approval or an initial survey permit shall continue to be honored and may proceed with the licensing process without having to go through tender in accordance with this Law.

### **CHAPTER XXVI CLOSING PROVISIONS**

#### **Article 173**

- (1) With this Law taking effect, Law No. 11 of 1967 concerning Basic Provisions of Mining (State Gazette of the Republic of Indonesia No. 22 of 1967, State Gazette Supplement of the Republic of Indonesia No. 2831) shall be deemed null and void.
- (2) With this law taking effect, all laws and regulations that constitute the implementation regulations of Law No. 11 of 1967 concerning Basic Provisions of Mining (State Gazette of the Republic of Indonesia No. 22 of 1967, State Gazette Supplement of the Republic of Indonesia No. 2831) shall remain effective so long as they comply with the provisions of this law.

*(Unofficial English Translation)*

**Article 174**

The implementation regulation of this law shall be stipulated within 1 (one) year after the enactment of this law.

**Article 175**

This Law shall take effect as of the date of its promulgation.

Publication of this law has been ordered for the information of all by placement in the State Gazette of the Republic of Indonesia.

Promulgated in Jakarta  
On 12 January 2009  
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

[signature]

DR. H. SUSILO BAMBANG YUDHOYONO

Enacted in Jakarta  
On 12 January 2009  
THE MINISTER OF JUSTICE AND HUMAN RIGHTS  
OF THE REPUBLIC OF INDONESIA

[signature]

ANDI MATTALATTA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA  
NO 4 OF 2009



**PRESIDENT  
THE REPUBLIC OF INDONESIA**

**ELUCIDATION  
OF  
LAW OF THE REPUBLIC OF INDONESIA  
NUMBER 4 YEAR 2009  
REGARDING**

**MINERAL AND COAL MINING**

**I. GENERAL**

Article 33 paragraph (3) of the 1945 Constitution states that all natural resources in the soil and waters of the country shall be under the jurisdiction of the State and shall be used for the greatest benefit and welfare of the People. Since minerals and coal constitute nonrenewable natural resources in the soil, the exploitation shall be performed optimally, efficiently, transparently, sustainably, and in an environmentally sound and fair way in order to gain maximum benefits for the continued prosperity of the People.

In order to fulfill the provision of Article 33 paragraph (3) of the 1945 Constitution, Law No. 11 of 1967 concerning Basic Provisions of Mining has been issued. Since its enforcement, approximately four decades ago, this Law has provided an essential contribution for national development.

In its further development, this Law which is centralistic in nature is no longer adapted to current developments and future challenges. Moreover, mining development must take into consideration strategic environmental changes, both nationally and internationally. The main challenge faced by mineral and coal mining is the impact of globalization that encourages democratization, regional autonomy, human rights, environment, technology and information development, rights on intellectual properties and the demand for an increased private and public participation.

To face strategic environmental challenges and to respond to the issues affected by globalization, a new Law in mineral and coal mining needs to be prepared which can provide legal grounds for the reformation and restructuring of the management and exploitation of mineral and coal mining.

This Law contains the following considerations:

1. Minerals and coal as nonrenewable resources shall be under the jurisdiction of the State and their development and utilization shall be carried out by the Central Government and the local government together with business players.

2. The Government shall subsequently provide opportunities to business entrepreneurs, be they Indonesian business entities, cooperatives, individuals, or members of the local community, to commercially utilize minerals and coal in accordance with the related license that is in line with local autonomy and granted by the Central Government and/or local government in accordance with their authority.
3. For the implementation of decentralization and regional autonomy, the exploitation of mineral and coal mining shall be carried out based on the principles of externality, accountability, and efficiency which involve the central and local governments.
4. Mining operation shall provide maximum economic and social benefits for the welfare of the Indonesian People.
5. Mining operation shall expedite regional development and boost economic activities of the People/small and medium-scale enterprises as well as encourage the growth of mine supporting industries.
6. In order to create sustainable development, mining activities shall be performed taking into account the principles of care for the environment, transparency, and public participation.

## II. ELUCIDATION BY ARTICLES

### Article 1

Sufficiently clear.

### Article 2

#### Item (a)

Sufficiently clear.

#### Item (b)

Sufficiently clear.

#### Item (c)

Sufficiently clear.

#### Item (d)

What is meant by sustainable principle and environmentally friendly awareness shall be a well-planned principle that integrates the economic, which is well-planned integrating economic, environmental, and socio-cultural dimensions in the overall mineral and coal mining business operations to realize the present and future welfare of the People.

### Article 3

Sufficiently clear.

### Article 4

Sufficiently clear.

### Article 5

Sufficiently clear.

### Article 6

#### Paragraph (1)

##### Sub-paragraph (a)

Sufficiently clear.



- Sub-paragraph (b)  
Sufficiently clear.
- Sub-paragraph (c)  
National mineral and coal mining standard shall be technical specifications or something that is standardized.
- Sub-paragraph (d)  
Sufficiently clear.
- Sub-paragraph (e)  
Sufficiently clear.
- Sub-paragraph (f)  
Sufficiently clear.
- Sub-paragraph (g)  
Sufficiently clear.
- Sub-paragraph (h)  
Sufficiently clear.
- Sub-paragraph (i)  
Sufficiently clear.
- Sub-paragraph (j)  
Sufficiently clear.
- Sub-paragraph (k)  
Sufficiently clear.
- Sub-paragraph (l)  
Sufficiently clear.
- Sub-paragraph (m)  
Sufficiently clear.
- Sub-paragraph (n)  
Sufficiently clear.
- Sub-paragraph (o)  
Sufficiently clear.
- Sub-paragraph (p)  
Sufficiently clear.
- Sub-paragraph (q)  
Sufficiently clear.
- Sub-paragraph (r)  
Sufficiently clear.
- Sub-paragraph (s)  
What is meant by national level mineral and coal resource balance shall be the balance that describes the amount of resources, reserves, and mineral and coal production nationally.
  
- Sub-paragraph (t)  
Sufficiently clear.
- Sub-paragraph (u)  
Sufficiently clear.

Paragraph (2)  
Sufficiently clear.

Article 7  
Sufficiently clear.

Article 8  
Sufficiently clear.

- Article 9  
Sufficiently clear.
- Article 10  
Sufficiently clear.
- Article 11  
Sufficiently clear.
- Article 12  
Sufficiently clear.
- Article 13  
Sufficiently clear.
- Article 14  
Sufficiently clear.
- Article 15  
Granted authority shall be the authority for deciding WUP for non-metal and rock minerals in one regency/city or cross regency/municipal areas.
- Article 16  
Sufficiently clear.
- Article 17  
What is meant by size shall be the maximum and minimum size.  
Decision of borders shall be made based on the expertise accepted by all parties.
- Article 18  
Sufficiently clear.
- Article 19  
Sufficiently clear.
- Article 20  
Sufficiently clear.
- Article 21  
Decision of WPR shall be based on the planning by synchronizing data and information through WP information system.
- Article 22  
Item (a)  
What is meant by riverbanks shall be accumulated areas of secondary mineral enrichment (pay streak) in a river meander.  
Item (b)  
Sufficiently clear.  
Item (c)  
Sufficiently clear.  
Item (d)  
Sufficiently clear.  
Item (e)  
Sufficiently clear.  
Item (f)  
Sufficiently clear.
- Article 23  
WPR plan shall be notified in the offices of the village/sub-village leaders and the related agency's office; equipped with a site plan describing the location, size, and border lines and list of coordinates; and accompanied by a list of land title holders' domiciles in WPR.

Article 24

Sufficiently clear.

Article 25

Sufficiently clear.

Article 26

Sufficiently clear.

Article 27

Paragraph (1)

WPN determination for national interest is meant to boost national economic growth, the resistance of national energy and strategic industry, as well as increase the national competitiveness in facing global challenges.

What is meant by certain commodities shall include among others copper, tin, gold, iron, nickel, bauxite and coal.

The conservation referred to here shall also include efforts to operate minerals and/or coal of limited existence.

Paragraph (2)

What is meant by part of the area being decided for the percentage of the size of an area to be commercially operated.

Paragraph (3)

What is meant by timeframe is WPN decided for conservation that can be operated after a certain period has passed.

Paragraph (4)

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Paragraph (1)

What is meant by coordination shall be the accommodating of all regional interests related to WUPK in accordance with provisions of statutory regulations.

Paragraph (2)

Sufficiently clear.

Article 30

Sufficiently clear.

Article 31

What is meant by size shall be the maximum and minimum size.

Decision of borders shall be made based on the expertise accepted by all parties.

Article 32

Sufficiently clear.

Article 33

Sufficiently clear.

Article 34

Paragraph (1)

Sub-paragraph (a)

Sufficiently clear.

Sub-paragraph (b)

- Sufficiently clear.
- Paragraph (2)
  - Sub-paragraph (a)
    - What is meant by radioactive mineral mining shall be the mining as stipulated in nuclear power laws and regulations.
  - Sub-paragraph (b)
    - Metal mineral mining in this provision shall include its associated minerals.
  - Sub-paragraph (c)
    - Sufficiently clear.
  - Sub-paragraph (d)
    - Sufficiently clear.
- Paragraph (3)
  - Sufficiently clear.

Article 35

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Item (a)

Business entity in this provision shall include state-owned enterprises and region-owned enterprises.

Item (b)

Sufficiently clear.

Item (c)

Sufficiently clear.

Article 39

Paragraph (1)

Sub-paragraph (a)

Sufficiently clear.

Sub-paragraph (b)

Sufficiently clear.

Sub-paragraph (c)

Sufficiently clear.

Sub-paragraph (d)

Guarantee of seriousness in this provision shall include the cost allowed for environmental management related to exploration activities.

Sub-paragraph (e)

Sufficiently clear.

Sub-paragraph (f)

Sufficiently clear.

Sub-paragraph (g)

Sufficiently clear.

Sub-paragraph (h)

Sufficiently clear.

Sub-paragraph (i)

Sufficiently clear.

Sub-paragraph (j)  
Sufficiently clear.

Sub-paragraph (k)  
Sufficiently clear.

Sub-paragraph (l)  
Sufficiently clear.

Sub-paragraph (m)  
Sufficiently clear.

Sub-paragraph (n)  
Sufficiently clear.

Paragraph (2)  
Sufficiently clear.

Article 40  
Sufficiently clear.

Article 41  
Sufficiently clear.

Article 42  
Paragraph (1)

The period of 8 (eight) years shall include general survey of 1 (one) year; exploration of 3 (three) years that can be extended 2 (two) times each for 1 (one) year; and feasibility study of 1 (one) year that can be extended 1 (one) time for 1 (one) year.

Paragraph (2)  
The period of 3 (three) years shall include general survey of 1 (one) year, exploration of 1 (one) year, and feasibility study of 1 (one) year.

What is meant by certain types of non-metal minerals shall include among others limestones for cement industry, diamond and precious stones.

The period of 7 (seven) years shall include general survey of 1 (one) year; exploration of 3 (three) years that can be extended 1 (one) time for 1 (one) year; and feasibility study of 1 (one) year that can be extended 1 (one) time for 1 (one) year.

Paragraph (3)  
The period of 3 (three) years shall include general survey of 1 (one) year, exploration of 1 (one) year, and feasibility study of 1 (one) year.

Paragraph (4)  
The period of 7 (seven) years shall include general survey of 1 (one) year, exploration of 2 (two) years that can be extended 2 (two) times for 1 (one) year each; and feasibility study of 2 (two) years.

Article 43  
Sufficiently clear.

Article 44  
Sufficiently clear.

Article 45  
Sufficiently clear.

Article 46  
Paragraph (1)  
Sufficiently clear.

Paragraph (2)

What is meant by data from the findings of feasibility study shall constitute the synchronization of data belonging to the Government and that belonging to regional government.

Article 47

Paragraph (1)

The period of 20 (twenty) years in this provision shall include the time allowed for construction of 2 (two) years.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

What is meant by certain types of non-metal minerals shall include among others, limestones for cement industry, diamond and precious stones.

The period of 20 (twenty) years in this provision shall include the time allowed for construction of 2 (two) years.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

The period of 20 (twenty) years in this provision shall include the time allowed for construction of 2 (two) years.

Article 48

Sufficiently clear.

Article 49

Sufficiently clear.

Article 50

Sufficiently clear.

Article 51

Metal mineral mining in this provision shall include its associated minerals.

Article 52

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Other parties may operate other minerals of different occurrence that are found vertically or horizontally in WIUP.

Paragraph (3)

Sufficiently clear.

Article 53

Sufficiently clear.

Article 54

Sufficiently clear.

Article 55

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Other parties may operate other minerals of different occurrence that are found vertically or horizontally in WIUP.

Paragraph (3)

Sufficiently clear.

Article 56

Sufficiently clear.

Article 57

- Sufficiently clear.
- Article 58
- Paragraph (1)  
Sufficiently clear.
- Paragraph (2)  
Other parties may operate other minerals of different occurrence that are found vertically or horizontally in WIUP.
- Paragraph (3)  
Sufficiently clear.
- Article 59  
Sufficiently clear.
- Article 60  
Sufficiently clear.
- Article 61
- Paragraph (1)  
Sufficiently clear.
- Paragraph (2)  
Other parties may operate other minerals of different occurrence that are found vertically or horizontally in WIUP.
- Paragraph (3)  
Sufficiently clear.
- Article 62  
Sufficiently clear.
- Article 63  
Sufficiently clear.
- Article 64  
Sufficiently clear.
- Article 65  
Sufficiently clear.
- Article 66  
Sufficiently clear.
- Article 67
- Paragraph (1)  
Sufficiently clear.
- Paragraph (2)  
Sufficiently clear.
- Paragraph (3)  
Application as meant in this provision shall be provided with sufficient duty stamps and attached with recommendations from the heads of village/sub-village/local tribe concerning the validity of the applicant's credentials to receive priority for obtaining IPR.
- Article 68  
Sufficiently clear.
- Article 69  
Sufficiently clear.
- Article 70
- Item (a)  
Sufficiently clear.
- Item (b)  
Sufficiently clear.
- Item (c)

Environmental management activities shall include the prevention and control of pollution as well as the recovery of environmental functions, including reclamation of former mining sites.

Item (d)  
Sufficiently clear.

Item (e)  
Report shall be submitted once in every 4 (four) months.

Article 71  
Sufficiently clear.

Article 72  
Sufficiently clear.

Article 73  
Sufficiently clear.

Article 74  
Paragraph (1)  
What is meant by taking into account regional government's interests shall be efforts made for the empowerment of the region.

Paragraph (2)  
Metal mineral mining in this provision shall include its associated minerals.

Paragraph (3)  
Sufficiently clear.

Paragraph (4)  
Sufficiently clear.

Paragraph (5)  
Sufficiently clear.

Paragraph (6)  
Sufficiently clear.

Paragraph (7)  
Sufficiently clear.

Article 75  
Sufficiently clear.

Article 76  
Sufficiently clear.

Article 77  
Paragraph (1)  
Sufficiently clear.

Paragraph (2)  
What is meant by data from the findings of feasibility study shall constitute synchronized data from the Government and that of regional government.

Article 78  
Item (a)  
Sufficiently clear.

Item (b)  
Sufficiently clear.

Item (c)  
Sufficiently clear.

Item (d)  
Guarantee of seriousness shall include the cost allowed for environmental management related to exploration activities.

Item (e)



Sufficiently clear.

Item (f)

Sufficiently clear.

Item (g)

Sufficiently clear.

Item (h)

Sufficiently clear.

Item (i)

Sufficiently clear.

Item (j)

Sufficiently clear.

Item (k)

Sufficiently clear.

Item (l)

Sufficiently clear.

Item (m)

Sufficiently clear.

Item (n)

Sufficiently clear.

Article 79

Item (a)

Sufficiently clear.

Item (b)

Sufficiently clear.

Item (c)

Sufficiently clear.

Item (d)

Sufficiently clear.

Item (e)

Sufficiently clear.

Item (f)

Sufficiently clear.

Letter (g)

Sufficiently clear.

Item (h)

Sufficiently clear.

Item (i)

Sufficiently clear.

Item (j)

Sufficiently clear.

Item (k)

Sufficiently clear.

Item (l)

Sufficiently clear.

Item (m)

Sufficiently clear.

Item (n)

Sufficiently clear.

Item (o)

Sufficiently clear.

Item (p)  
Sufficiently clear.

Item (q)  
Sufficiently clear.

Item (r)  
Sufficiently clear.

Item (s)  
Sufficiently clear.

Item (t)  
Sufficiently clear.

Item (u)  
Sufficiently clear.

Item (v)  
Sufficiently clear.

Item (w)  
Sufficiently clear.

Item (x)  
Sufficiently clear.

Item (y)  
The mentioning of share divestment shall only apply in the case of shares being owned by foreigners in accordance with provisions of laws and regulations.

Article 80  
Sufficiently clear.

Article 81  
Sufficiently clear.

Article 82  
Sufficiently clear.

Article 83  
Item (a)  
Sufficiently clear.

Item (b)  
Sufficiently clear.

Item (c)  
Sufficiently clear.

Item (d)  
Sufficiently clear.

Item (e)  
The period of 8 (eight) years shall include general survey of 1 (one) year, exploration of 3 (three) years that can be extended 2 (two) times for 1 (one) year each; and feasibility study of 1 (one) year that can be extended 1 (one) time for 1 (one) year.

Item (f)  
The period of 7 (seven) years shall include general survey of 1 (one) year, exploration of 2 (two) years that can be extended 2 (two) times for 1 (one) year each; and feasibility study of 2 (two) years.

Item (g)  
The period of 20 (twenty) years in this provision shall include the time allowed for construction of 2 (two) years.

Article 84  
Sufficiently clear.

Article 85  
Sufficiently clear.

Article 86  
Sufficiently clear.

Article 87  
Sufficiently clear.

Article 88  
Sufficiently clear.

Article 89  
Sufficiently clear.

Article 90  
Sufficiently clear.

Article 91  
Sufficiently clear.

Article 92  
Sufficiently clear.

Article 93  
Paragraph (1)  
Sufficiently clear.

Paragraph (2)  
What is meant by certain stage exploration in this provision shall be the discovery of 2 prospective areas during the exploration activities.

Paragraph (3)  
Sufficiently clear.

Article 94  
Sufficiently clear.

Article 95  
Sufficiently clear.

Article 96  
Item (a)  
Sufficiently clear.

Item (b)  
Sufficiently clear.

Item (c)  
Sufficiently clear.

Item (d)  
Sufficiently clear.

Item (e)  
What is meant by mine waste shall include among others tailings and coal waste.

Article 97  
Sufficiently clear.

Article 98  
This provision is based on the consideration that mining business operated at water sources may cause upstream or downstream morphological changes in the water source.

Article 99  
Sufficiently clear.

Article 100  
Sufficiently clear.

Article 101

Provision on guarantee funds for reclamation and for post-mining activities shall consist of, among other things, the amount, method of depositing and clearing, and the reporting of the usage of the guarantee funds.

Article 102

Added value in this provision shall be intended to enhance the final products of the mining business or the utilization of associated minerals.

Article 103

Paragraph (1)

The obligation to carry out domestic processing and refining activities shall be intended, among others, to increase and optimize the mine value of the product, the availability of the industrial raw materials, the work opportunity, and the increase of state revenues.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Article 104

Sufficiently clear.

Article 105

Paragraph (1)

What is meant by having obtained Production Operation IUP for selling in this provision shall be the obtaining of transporting and selling license for the excavated minerals and/or coal.

Paragraph (2)

License shall be granted after prior examination and evaluation on the excavated minerals and/or coal by relevant technical agency.

Paragraph (3)

Sufficiently clear.

Paragraph (4)

Sufficiently clear.

Article 106

The utilization of the local manpower shall take into account the competency and expertise of the available manpower.

This provision shall be intended to support and develop the national competitive capability.

Article 107

Sufficiently clear.

Article 108

Paragraph (1)

Sufficiently clear.

Paragraph (2)

What is meant by community shall be the people residing in the neighborhood of the mining operational site.

Article 109

Sufficiently clear.

Article 110

Sufficiently clear.

Article 111

Sufficiently clear.

Article 112

Sufficiently clear.

Article 113

Paragraph (1)

Letter a

What is meant by force majeure in this paragraph shall include war, civil riots, uprisings, epidemics, earthquakes, floods, fires, and natural disasters beyond human control.

Letter b

What is meant by hindering circumstances in this paragraph, shall include blockades, strikes, and labor disputes beyond IUP or IUPK holder's fault and laws and regulations being issued by the Government that hinder ongoing mining operation.

Letter c

Sufficiently clear.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Request for the explanation of force majeure conditions and/or hindering circumstances that cause discontinuation of part or the entire mining operation activities.

Paragraph (4)

People's request shall contain explanation of the condition of the area's environmental supporting capacity that is related to mining activities.

Paragraph (5)

Sufficiently clear.

Article 114

Sufficiently clear.

Article 115

Sufficiently clear.

Article 116

Sufficiently clear.

Article 117

Sufficiently clear.

Article 118

Paragraph (1)

What is meant by a clear reason in this provision shall be the absence of technical, economical, or environmental prospects being found.

Paragraph (2)

Sufficiently clear.

Article 118

Sufficiently clear.

Article 119

Sufficiently clear.

Article 120

What is meant by increase shall be the increase from the exploration stage to the production stage.

Article 121

Sufficiently clear.

Article 122

- Sufficiently clear.
- Article 123
  - Sufficiently clear.
- Article 124
  - Paragraph (1)
    - National corporations may establish branches in the regions.
  - Paragraph (2)
    - Sufficiently clear.
  - Paragraph (3)
    - Sufficiently clear.
- Article 125
  - Sufficiently clear.
- Article 126
  - Sufficiently clear.
- Article 127
  - Sufficiently clear.
- Article 128
  - Sufficiently clear.
- Article 129
  - Sufficiently clear.
- Article 130
  - Sufficiently clear.
- Article 131
  - Sufficiently clear.
- Article 132
  - Sufficiently clear.
- Article 133
  - Sufficiently clear.
- Article 134
  - Sufficiently clear.
- Article 135
  - Approval from the land title holders shall be intended to settle issues on land that is affected by the exploration activities such as drilling, test ditches, and sample taking.
- Article 136
  - Sufficiently clear.
- Article 137
  - Sufficiently clear.
- Article 138
  - Sufficiently clear.
- Article 139
  - Sufficiently clear.
- Article 140
  - Sufficiently clear.
- Article 141
  - Sufficiently clear.
- Article 142
  - Sufficiently clear.
- Article 143
  - Sufficiently clear.
- Article 144

Sufficiently clear.

Article 145

Paragraph (1)

What is meant by community shall be people that are directly affected by the negative impacts of mining operation activities.

Paragraph (2)

Sufficiently clear.

Article 146

Sufficiently clear.

Article 147

Sufficiently clear.

Article 148

Sufficiently clear.

Article 149

Sufficiently clear.

Article 150

Sufficiently clear.

Article 151

Sufficiently clear.

Article 152

Sufficiently clear.

Article 153

Sufficiently clear.

Article 154

Sufficiently clear.

Article 155

Sufficiently clear.

Article 156

Sufficiently clear.

Article 157

Sufficiently clear.

Article 158

Sufficiently clear.

Article 159

Sufficiently clear.

Article 160

Sufficiently clear.

Article 161

Sufficiently clear.

Article 162

Sufficiently clear.

Article 163

Sufficiently clear.

Article 164

Sufficiently clear.

Article 165

What is meant by anyone shall be officials that issue IUP, IPR, or IUPK.

Article 166

Sufficiently clear.

Article 167

Sufficiently clear.

Article 168

Sufficiently clear.

Article 169

Letter a

Sufficiently clear.

Letter b

All articles contained in the Contract of Work and Coal Contract of Work shall be adjusted by the provisions under this Law.

Letter c

Sufficiently clear.

Article 170

Sufficiently clear.

Article 171

Sufficiently clear.

Article 172

Sufficiently clear.

Article 173

Sufficiently clear.

Article 174

Sufficiently clear.

Article 175

Sufficiently clear.

STATE GAZETTE SUPPLEMENT OF THE REPUBLIC OF INDONESIA NO 4959