



New Energy & Resources Regulations

Summary of the New Energy & Resources Regulations

The following is a list of the new energy & resources regulations. All regulations are available in Indonesian.

New Energy & Resources Regulations

1. Regulation: Minister of Energy and Mineral Resources (ESDM) Regulation 42/2018 ([click here Permen ESDM 42/2018](#))
Date : 6 September 2018
Subject : Prioritas Pemanfaatan Minyak Bumi untuk Pemenuhan Kebutuhan dalam Negeri (Priority to Utilization of Crude Oil for Fulfillment of Domestic Needs)

Summary

Minister of Energy and Mineral Resources Regulation Number 42/2018 obliges PT Pertamina (Persero) and Business Entities Holding Crude Oil Processing Business Licenses to prioritize the supply of Crude Oil derived from within the country and seek supplies of Crude Oil from domestic Contractors before planning to import Crude Oil. Hence, contractors or their affiliates are obliged to offer their Crude Oil to Pertamina, which must be done no later than three months before the start of the export recommendation period for the entire volume of the Contractor's share of Crude Oil. This is intended to optimize the utilization of Crude Oil for domestic needs and enhance national energy resilience. This regulation came into force on 6 September 2018.

2. Regulation: Minister of Energy and Mineral Resources (ESDM) Regulation 41/2018 ([click here Permen ESDM 41/2018](#))

Date : 24 August 2018

Subject : Penyediaan dan Pemanfaatan Bahan Bakar Nabati Jenis Biodiesel dalam Kerangka Pembiayaan oleh Badan Pengelola Dana Perkebunan Kelapa Sawit (Provision and Utilization of Biofuel of the Biodiesel Type in the Context of Financing by the Oil Palm Plantation Fund Management Agency)

Summary

Minister of Energy and Mineral Resources (ESDM) Regulation Number 41/2018 is a revision Minister of ESDM Regulation Number 26/2016. The changes in this regulation are aimed at achieving acceleration of the fulfilment of stage of minimum obligation to use Biofuel of the Biodiesel Type and administration of the provision and distribution of the Biodiesel Financing Fund in a timely, properly targeted, and beneficial way. This regulation contains more detailed provisions concerning the procedure for procurement of biofuel of the Biodiesel type in the context of financing by the Oil Palm Plantation Fund Management Agency, including submission of proposals and designation of Oil-Based Fuel Business Entities as Executors of Procurement of Biofuel of the Biodiesel type through the mechanism of direct appointment, determination of Allocation of Biofuel of the Biodiesel type, and signing of the associated contracts. This regulation came into force on 24 August 2018, revoking Minister of Energy and Mineral Resources Regulation Number 26/2016 and the provisions in Article 24 through Article 26 of Minister of Energy and Mineral Resources Regulation Number 48/2017.

3. Regulation: Minister of Energy and Mineral Resources (ESDM) Regulation 40/2018 ([click here Permen ESDM 40/2018](#))

Date : 21 August 2018

Subject : Perubahan Keenam atas Peraturan Menteri Energi dan Sumber Daya Mineral Nomor 39 Tahun 2014 tentang Perhitungan Harga Jual Eceran Bahan Bakar Minyak (Sixth Amendment of Minister of Energy and Mineral Resources Regulation Number 39/2014 concerning Calculation of Retail Selling Prices of Oil-based Fuels)

Summary

Minister of Energy and Mineral Resources Regulation Number 40/2018 specifically amends the provision concerning the amount of the subsidy in the calculation of the Retail Selling Price of Certain Kinds of Oil-based Fuels in the form of Gas Oil/ Diesel Fuel, i.e. the provision of Article 2 by revising the provision of paragraph (1) concerning the calculation formula for the Retail Selling Price of Gas Oil, i.e. in accordance with the base price plus Value Added Tax (VAT) less a subsidy of a maximum of Rp2000, plus Motor Vehicle Fuel Tax (PBBKB), and adds a new paragraph, paragraph (1a) concerning the amount of subsidy, which shall be determined by the Minister of Finance and retroactive from 1 January 2018. In addition, there is another change in the form of the addition of one new article. This regulation came into force on 21 August 2018.

4. Regulation: Minister of Energy and Mineral Resources (ESDM) Regulation 39/2018 ([click here Permen ESDM 39/2018](#))

Date : 15 August 2018

Subject : Pelayanan Perizinan Berusaha Terintegrasi Secara Elektronik Bidang Ketenagalistrikan
(Electronic Integrated Business Licensing Services in the Electricity Field)

Summary

Minister of Energy and Mineral Resources Regulation Number 39/2018 stipulates that business operators in the field of electricity must hold a Business License and/or Commercial or Operational License by submitting an application through OSS [Online Single Submission] together with the administrative requirements based on the NIB [Business Identity Number] in accordance with the business field of electricity as stipulated in the Indonesian standard classification of business fields (KBLU) and the technical requirements in the form of fulfilment of the Business License Commitment or Commercial or Operational License Commitment as mentioned in the Attachment of this regulation. The Business Licenses that are issued on behalf of the Minister of ESDM consist of Electric Power Provider Business License, Operation License, Determination of Business Area, Cross-Border Electricity Sale/Purchase Business License, Electric Power Support Service Business License, and License for Utilization of Electric Power Network for Purposes of Telecommunication, Multimedia, and/or Informatics, each of which is described further in this regulation. Meanwhile, the Commercial or Operational Licenses consist of Operational Worthiness Certificate, Business Entity Certificate, and Certificate of Competence of Electric Power Technical Personnel. This regulation came into force on 15 August 2018.

5. Regulation: Minister of Trade Regulation 94/2018 ([click here Permendag 94/2018](#))

Date : 7 September 2018

Subject : Petunjuk Operasional Pelaksanaan Dana Alokasi Khusus Fisik Bidang Energi Skala Kecil
(Provisions on Use of Letters of Credit for Export of Certain Goods)

Summary

Minister of Trade Regulation Number 94/2018 requires the use of a Letter of Credit (L/C) for payment for exports of 13 types of mineral, 7 types of coal, crude oil and natural gas, and CPO and CPKO. The payment of such L/C must be received through a domestic Foreign Exchange Bank or an export financing institution established by the Government with due attention to the provisions of Bank Indonesia Regulations concerning Foreign Exchange Generated from Exports. The exporter concerned is also obliged to mention the use of L/C for payment for the export of the goods in the export declaration (PEB) and to submit a statement letter concerning the use of L/C for payment for export of the goods to a surveyor for a verification or technical tracing process, as well as to submit a report on realization of exports together with the final price of the L/C each month no later than the 15th of the following month to the Director General of Foreign Trade. This regulation will come into force on 7 October 2018, revoking Minister of Trade Regulation Number 04/M-DAG/PER/1/2015, Minister of Trade Regulation Number 67/M-DAG/PER/8/2015, and Minister of Trade Regulation Number 26/M-DAG/PER/3/2015.

6. Regulation: Minister of Trade Regulation 92/2018 ([click here Permendag 92/2018](#))
Date : 1 September 2018
Subject : Penetapan Harga Patokan Ekspor Atas Produk Pertambangan Yang Dikenakan Bea Keluar
(Determination of Benchmark Export Prices for Mining Products Subject to Export Duty)

Summary

Minister of Trade Regulation Number 92/2018 sets the Benchmark Export Prices (HPE) for 368 types of mining products that are subject to export duty. The determination of the HPE is based on the highest average prices in the international markets, highest average Free On Board (FOB) prices, highest average prices prevailing in the domestic market, or highest average prices in the importing country in the most recent one month before determination of the Benchmark Export Price. The purpose of setting the HPE is to be used as the basis for setting Export Prices in the calculation of Export Duty by the Ministry of Finance. These Benchmark Export Price (HPE) shall be valid for the period 1 September through 30 September 2018. This regulation came into force on 1 September 2018, revoking Minister of Trade Regulation Number 79/2018.

7. Regulation: 1953 K/06/MEM/2018 ([click here 1953 K/06/MEM/2018](#))
Date : 5 September 2018
Subject : Penggunaan Barang Operasi, Barang Modal, Peralatan, Bahan Baku, dan Bahan Pendukung Lainnya yang Diperoleh di Dalam Negeri pada Sektor Energi dan Sumber Daya Mineral
(Use of Operational Goods, Capital Goods, Equipment, Raw Material, and Other Supporting Material Acquired within the Country in the Energy and Mineral Resources Sector)

Summary

Minister of Energy and Mineral Resources Decision Number 1953 K/06/MEM/2018 is produced based on the considerations to promote the use of operational goods, capital goods, raw material, equipment, and other supporting materials that are produced domestically and to strengthen the nation's foreign exchange. This decision obliges business entities that operate in the fields of oil and gas, minerals and coal, electric power and new/renewable energy and energy conservation to use operational goods, capital goods, equipment, raw material, and other supporting material that are produced domestically, insofar as such goods fulfil quality or specifications, delivery time, and price. Thus, if the operational goods, capital goods, equipment, raw material, and other supporting material can be fulfilled using goods of domestic production, the business entity that plans to use such goods will not be granted the import facility (master list). This decision came into force on 5 September 2018.

8. Regulation: 1952 K/84/MEM/2018 ([click here 1952 K/84/MEM/2018](#))
Date : 5 September 2018
Subject : Penggunaan Perbankan di Dalam Negeri atau Cadangan Perbankan Indonesia di Luar Negeri untuk Penjualan Mineral dan Batubara Ke Luar Negeri
(Use of Domestic Banks or Branches of Indonesian Bank Abroad for Sale of Mineral and Coal to Abroad)

Summary

Minister of Energy and Mineral Resources Decision Number 1952 K/84/MEM/2018 is established on the basis of a desire to provide genuine added value to the national economy and to optimize domestic receipts of foreign exchange. This decision obliges holders of mining business licenses, special mining business licenses, contracts of work, coal mining enterprise cooperation agreements, and special Production Operation IUP for processing/ refining as well as transportation and sale to use a payment method using Letter of Credit and to repatriate the proceeds from sales of mineral and coal to abroad through an account at a domestic bank or a foreign branch of an Indonesian bank. If this obligation is not implemented, the Minister of ESDM grants authority to the Director General of Mineral and Coal to revoke the recommendation for approval for export of minerals and to recommend revocation of status as registered exporter of coal. Penalties in the form of written warning/ reprimand and temporary suspension of business activity may be imposed on those that violate this obligation. This decision came into force on 5 September 2018.

9. Regulation: 1951 K/30/MEM/2018 ([click here 1951 K/30/MEM/2018](#))

Date : 4 September 2018

Subject : Harga Mineral Logam Acuan dan Harga Batubara Acuan untuk Bulan September 2018
(Reference Prices of Metallic Minerals and Reference Price of Coal for September 2018)

Summary

Minister of Energy and Mineral Resources Decision Number 1951 K/30/MEM/2018 sets the reference prices of metallic minerals for 20 metallic mineral commodities and the reference price of coal which prevail during September 2018. The Reference Prices of Metallic Minerals (including reference prices for metallic minerals in the form of Nickel, Cobalt, Lead, Aluminum, Copper, Gold, Silver, and others) and the Reference Price of Coal will be used as the basis for calculation of the Benchmark Prices of Metallic Minerals and the Benchmark Price of Coal for September 2018.

10. Regulation: 1949 K/12/MEM/2018 ([click here 1949 K/12/MEM/2018](#))

Date : 30 August 2018

Subject : Penetapan Harga Minyak Mentah Indonesia bulan Agustus 2018
(Determination of Indonesian Crude Oil Price for August 2018)

Summary

Minister of Energy and Mineral Resources Decision Number 1949 K/12/MEM/2018 specifically sets the average price of Indonesian crude oil for August 2018 at US\$69.36/barrel.

11. Regulation: 1939 K/10/MEM/2018 ([click here 1939 K/10/MEM/2018](#))

Date : 30 August 2018

Subject : Harga Indeks Pasar Jenis Bahan Bakar Minyak Jenis Minyak Solar (Gas Oil) dalam Rangka Perhitungan Selisish Kurang antara Harga Indeks Pasar Jenis Bahan Bakar Minyak Umum Jenis Minyak Solar (Gas Oil) dengan Harga Indeks Pasar Bahan Bakar Nabati Jenis Biodisel
(Index Market Price of Oil-based Fuel of the Gas Oil Type for the Purpose of Calculation of Shortfall between Index Market Price of General Oil-based Fuel of the Gas Oil Type and Index Market Price of Biofuel of the Biodiesel Type)

Summary

Minister of Energy and Mineral Resources Decision Number 1939 K/10/MEM/2018 sets a reference to be used in determining the index market price of general oil-based fuel of the gas oil (diesel fuel) type for calculation of the shortfall between the index market price of general oil-based fuels off the gas oil type and the index market price of biofuel of the biodiesel type with a sulfur content limit of $0.05\% \text{ m/m} < \text{sulfur content} \leq 0.25\% \text{ m/m}$, i.e. the average Mean of Platts Singapore (MOPS) published price for Gas Oil 0.25% Sulfur in the period of the one preceding month, as well as biodiesel with sulfur content limit of $\leq 0.05\% \text{ m/m}$, i.e. the average Mean of Platts Singapore (MOPS) published price for Gas Oil 0.05% Sulfur for the period of the one preceding month. The determination of the index market price for general oil-based fuels of the gas oil type shall apply to Business Entities for Procurement of Biofuel of the Biodiesel Type for Mixing with General Oil-based Fuel of the Gas Oil Type that have received approval from the Minister. This decision came into force on 30 August 2018.

12. Regulation: 1925 K/30/MEM/2018 ([click here 1925 K/30/MEM/2018](#))

Date : 7 August 2018

Subject : Perubahan Kedua atas Keputusan Menteri Energi dan Sumber Daya Mineral Nomor 1395 K/30/MEM/2018 tentang Harga Jual Batubara untuk Penyediaan Tenaga Listrik untuk Kepentingan Umum
(Second Amendment of Minister of Energy and Mineral Resources Decision Number 1395 K/30/MEM/2018 concerning Selling Price of Coal for Provision of Electric Power for the Public Interest)

Summary

Minister of Energy and Mineral Resources Decision Number 1925 K/30/MEM/2018 is established based on the consideration to promote fulfilment of the obligation to sell coal for domestic interests (domestic market obligation) for provision of electric power for the public interest. One provision in Minister of Energy and Mineral Resources Decision Number 1395 K/30/MEM/2018 is revised in this decision, i.e. the provision contained in the SIXTH dictum concerning granting an increase in the amount of coal production to a company that has fulfilled the minimum percentage for sale of coal for domestic interest and fulfils the selling price provisions as mentioned in the FIRST, SECOND or THIRD dictum. The increase in the amount of coal production shall be granted collectively up to 100 million tons by fulfilling proper technical standards for mining and fulfilling the obligations in the field of environment. This decision came into force on 7 August 2018.

13. Regulation: 1924 K/30/MEM/2018 ([click here 1924 K/30/MEM/2018](#))

Date : 7 August 2018

Subject : Perubahan atas Keputusan Menteri Energi dan Sumber Daya Mineral Nomor 23 K/30/MEM/2018 tentang Penetapan Persentase Minimal Penjualan Batubara untuk Kepentingan dalam Negeri Tahun 2018
(Amendment of Minister of Energy and Mineral Resources Decision Number 23 K/30/MEM/2018 concerning Determination of Minimum Percentage of Sale of Coal for Domestic Interests in 2018)

Summary

Minister of Energy and Mineral Resources Decision Number 1924 K/30/MEM/2018 is established based on the consideration to increase production of coal and optimize receipt of state non-tax revenues in 2018 from sales of coal. The provisions that are amended are the addition of dictum concerning the amount of coal production in 2018. This decision came into force on 7 August 2018.

14. Regulation: 0177.K/10/DJM.T/2018 ([click here 0177.K/10/DJM.T/2018](#))

Date : 6 June 2018

Subject : Standard and Quality (Specification) of Oil-based Fuel of the Gasoline RON 98 Type Marketed within the Country
(Standard and Quality (Specification) of Oil-based Fuel of the Gasoline RON 98 Type Marketed within the Country)

Summary

Director General of Oil and Gas Decision Number 0177.K/10/DJM.T/2018 stipulates details concerning the specifications of oil-based fuel of the gasoline RON 98 type as set forth in the Attachment. The specifications for oil-based fuels of the gasoline RON 98 type that is marketed within the country need to be stipulate to obtain certainty about the quality of domestic oil-based fuel with due attention to developments in technology, the ability of producers, the ability and needs of consumers, occupational health and safety, and management of the environment. This decision came into force on 6 June 2018.

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