



Energy & Resources Regulations Update

The 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: Government Regulation 1/2019
([click here PP 1/2019](#))
Date : 10 January 2019
Regarding : Devisa Hasil Ekspor dari Kegiatan Pengusahaan, Pengelolaan, dan/atau Pengolahan Sumber Daya Alam
(Foreign Exchange Derived from Exports from Activities of Exploitation, Management, and/or Processing of Natural Resources)

Summary

Government Regulation Number 1 of 2019 stipulates that foreign exchange derived from exports of natural resource export goods (DHE SDA) in the sectors of mining, plantation, forestry and fisheries must be placed into the Indonesian financial system. The exporter's obligation to place the DHE SDA into the Indonesian financial system shall be done through placement of the DHE SDA in a special DHE SDA account. The DHE SDA in the special DHE SDA account shall be used by the exporter for payment of export duty and other levies in the field of export, loans, import, gain/dividend, and/or other purposes of the investor as proven with supporting documents. If the payment is made through an escrow account, the exporter

must create the escrow account at a bank that conducts business activities in foreign currency. If an exporter fails to fulfil the provisions in this regulation, the exporter will be subject to penalties in the form of administrative fine, not being allowed to conduct exports, and/or revocation of its business license. This regulation came into force as of 10 January 2019.

2. Regulation: Minister of Energy and Mineral Resources (ESDM) Regulation 53/2018
([click here Permen ESDM 53/2018](#))

Date : 19 December 2018

Regarding : Perubahan atas Peraturan Menteri Energi dan Sumber Daya Mineral Nomor 50 Tahun 2017 tentang Pemanfaatan Sumber Energi Terbarukan untuk Penyediaan Tenaga Listrik
(Amendment of Minister of Energy and Mineral Resources Regulation Number 50 of 2017 concerning Use of Renewable Energy for Provision of Electricity)

Summary

Minister of Energy and Mineral Resources Regulation Number 53 of 2018 stipulates a number of provisions that have undergone amendment. One of these is the addition of a definition of the term biofuel power plant/ pembangkit listrik tenaga bahan bakar nabati (PLT BBN), i.e. an electric power generation plant that uses energy of liquid biofuel. Further, liquid biofuel is also categorized as a renewable energy source. There is also the insertion of provisions containing among other matters that PT Perusahaan Listrik Negara (Persero) may only purchase electricity from a PLT BBN if the developer of the power plant has a sufficient supply of biofuel for the sustained operation of the PLT BBN over the period of the power sale/purchase agreement. The purchase shall be made through the mechanism of direct selection at a price that is set based on agreement between the parties and a build, own, operate, and transfer cooperation mechanism. This regulation became effective from 19 December 2018.

3. Regulation: Minister of Energy and Mineral Resources (ESDM) Regulation 52/2018
([click here Permen ESDM 52/2018](#))

Date : 21 December 2018

Regarding : Perubahan atas Peraturan Menteri Energi dan Sumber Daya Mineral Nomor 29 Tahun 2017 Tentang Perizinan Pada Kegiatan Usaha Minyak dan Gas Bumi
(Amendment of Minister of Energy and Mineral Resources Regulation Number 29 of 2017 concerning Licensing in Oil and Gas Business Activities)

Summary

Minister of Energy and Mineral Resources Regulation Number 52 of 2018 is established on the consideration of the increase in the investment climate in oil and gas business activities, specifically for general activity of oil-based fuels. Among the several provisions that have been revised that are contained in this regulation are Article 4 regarding survey permits, permits for utilization of oil and gas data, oil and gas processing business permits, oil and gas storage business permits, oil and gas transportation business permits, and oil and gas trading business permits. Also, Article 26 regarding the time period of business permits, and Article 38 regarding holders of oil and gas trading business permits for general oil-based fuel trading business activities, as well as the attachments, have also undergone amendment and are set forth in this regulation. This regulation became effective from 21 December 2018.

4. Regulation: Minister of Energy and Mineral Resources (ESDM) Regulation 51/2018 ([click here Permen ESDM 51/2018](#))
Date : 6 December 2018
Regarding : Perubahan Kedua atas Peraturan Menteri Energi dan Sumber Daya Mineral Nomor 11 Tahun 2018 tentang Tata Cara Pemberian Wilayah, Perizinan, dan Pelaporan Pada Kegiatan Usaha Pertambangan Mineral dan Batubara (Second Amendment of Minister of Energy and Mineral Resources Regulation Number 11 of 2018 concerning Procedures for Granting of Areas, Licensing, and Reporting in Mineral and Coal Mining Business Activities)

Summary

Minister of Energy and Mineral Resources Regulation Number 51 of 2018 is established based on considerations of legal certainty and certainty of doing business in implementation of granting special mining business permit areas (WIUPK) with a priority to state-owned enterprises (BUMN) and regional government-owned enterprises (BUMD) as well as ensuring a conducive business climate. There are adjustments, amendments, insertions, and deletions from the previous regulation. Among the provisions that have undergone amendment are regarding proposed designation of WIUP and/or WIUPK, offers of WIUPK to BUMN and BUMD, as well as elaboration regarding IUP (Mining Business Permits) for Special Production Operations for processing and/or refining, prohibitions for holders of IUP/IUPK, and other provisions for holders of IUPK for Production Operations as continuation of the operations of KK [Contract of Work] or PKP2B [Coal Mining Enterprise Work Agreement]. This regulation became effective from 6 December 2018.

5. Regulation: Minister of Energy and Mineral Resources (ESDM) Regulation 50/2018 ([click here Permen ESDM 50/2018](#))
Date : 6 December 2018
Regarding : Perubahan atas Peraturan Menteri Energi dan Sumber Daya Mineral Nomor 25 Tahun 2018 tentang Pengusahaan Pertambangan Mineral dan Batubara (Amendment of Minister of Energy and Mineral Resources Regulation Number 25 of 2018 concerning Mineral and Coal Mining Business Operations)

Summary

Minister of Energy and Mineral Resources Regulation Number 50 of 2018 stipulates a number of provisions that have undergone amendment. These changes are the insertion of Article 43A regarding other provisions for holders of IUPK for Production Operations and continuation from the operations of KK [Contract of Work] or PKP2B [Coal Mining Enterprise Work Agreement], as well as amendment of Article 51 regarding granting of recommendations to holders of IUP for Production Operations and IUP for Special Production Operations for processing and/or refining. This regulation became effective from 6 December 2018.

6. Regulation: 02 K/12/MEM/2019 ([click here 02 K/30/MEM/2019](#))
Date : 3 January 2019
Regarding : Penetapan Harga Minyak Mentah Indonesia Bulan Desember 2018 (Determination of Indonesian Crude Oil Price for December 2018)

Summary

Minister of Energy and Mineral Resources Decision Number 02 K/12/MEM/2019 specifically sets the average price of Indonesian crude oil for December 2018 at US\$54.81/barrel. In addition, the prices of 56 types of Indonesian crude oil, both categorized as main crude oil and other crude oil, are set in detail in the attachment to this decision. This Minister of Energy and Mineral Resources Decision came into force on 3 January 2019.

7. Regulation: 01 K/30/MEM/2019 ([click here 01 K/30/MEM/2019](#))

Date : 2 January 2019

Regarding : Harga Mineral Logam Acuan dan Harga Batubara Acuan untuk Bulan Januari Tahun 2019
(Reference Prices of Metallic Minerals and Reference Price of Coal for January 2019)

Summary

Minister of Energy and Mineral Resources Decision Number 01 K/30/MEM/2019 sets the reference prices of metallic minerals for 20 metallic mineral commodities and the reference price of coal which prevail during January 2019. 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 January 2019. This Minister of Energy and Mineral Resources Decision came into force on 2 January 2019.

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