



Energy & Resources Regulations Update

The following is a list of the new energy & resources regulations.

All regulations are available in Indonesian.

1. Regulation : [Permendag 96/2019](#)
Date : 2 January 2020
Title : Ketentuan ekspor produk pertambangan hasil pengolahan dan pemurnian (Indonesian)
Title (English) : Export provisions for processed and purified mining products

Summary

In order to provide business assurance, to increase the added value in export of mining products, and to support the implementation of export of processed and purified mining products using electronic licensing service system, the provisions regarding Export of Processed and Purified Mining Products needs to be improved. There are several important points in this regulation, including:

1. List of processed and/or purified mining products in which the export of their raw materials or ore is limited
2. List of processed and/or purified mining products in which the export of their raw materials or ore is prohibited
3. Verification and technical investigation for export companies
4. Requirements to obtain Export Approval
5. Requirements to obtain Surveyor Permit
6. Issuance of Export Approval by Integrated Business Licensing Institution or Online Single Submission (OSS Institution)
7. Surveyor's Report concerning verification and technical investigation of the companies
8. Submission of export performance report by exporters
9. Suspension and revocation of Export Approval
10. Supervision on export of processed and purified mining products

This regulation revokes Minister of Trade Regulation Number 01/M-DAG/PER/1/2017 concerning Procedures on Export of Processed and Refined Mining Products and is in force since 2 January 2020.

2. Regulation : [BPH Migas 34/2019](#)
- Date : 31 December 2019
- Title (Indonesian) : Tata cara penghitungan dan penetapan tarif pengangkutan gas bumi melalui pipa
- Title (English) : Procedure to calculate and stipulate gas transmission rate through pipelines

Summary

In order to actualize legal assurance and to ensure gas transmission rate through pipelines that is accountable, fair, transparent and reasonable, it is necessary to regulate the procedures for calculating and determining gas transmission rate through pipelines. Considering this matter, Oil and Gas Downstream Regulatory Agency stipulates the Oil and Gas Downstream Regulatory Agency number 34 year 2019 that consists of:

1. General provisions
2. Procedure to propose rate of gas transmission through pipelines
3. Procedure to calculate the rate
4. Stipulation of rate
5. Reporting and supervision

Other than those mentioned above, this regulation also governs the administrative sanctions, transitional provisions, and closing provisions regarding gas transmission rate through pipelines. Oil and Gas Downstream Regulatory Agency number 34 year 2019 is in force since 31 December 2019.

3. Regulation : [227/PMK.02/2019](#)
- Date : 31 December 2019

Title (Indonesian) : Tata cara penyediaan, pencairan, dan pertanggungjawaban dana kompensasi atas kekurangan penerimaan badan usaha akibat kebijakan penetapan harga jual eceran bahan bakar minyak dan tarif tenaga listrik

Title (English) : Procedure for the provision, disbursement, and accountability of compensation fund for the lack of business entity revenue due to the policy for determining the retail selling prices of fuel oil and electricity rates

Summary

In order to guarantee the availability and continuity of fuel oil and electricity distribution in Republic of Indonesia, the Government assign State-owned Enterprises to conduct provision and distribution of fuel oil and electricity in accordance with Article 65 paragraph (1) of Government Regulation number 45 year 2005 concerning Establishment, Management, Supervision, and Dissolution of State-owned Enterprise. In that matter, it is necessary to stipulate a Minister of Finance Regulation concerning Procedure for the Provision, Disbursement, and Accountability of Compensation Fund for the Lack of Business Entity Revenue due to the policy for determining the retail selling price of fuel oil and electricity rates. Several important points regarding this regulation includes:

1. Allocation of compensation fund in State Budget (APBN)
2. Submission for the disbursement of compensation fund
3. Disbursement and withdrawal of compensation fund
4. Administration of compensation fund
5. Accountability report of compensation fund

This regulation is in force since 31 December 2019.

4. Regulation : [2 K/30/MEM/2020](#)

Date : 2 January 2020

Title (Indonesian) : Harga mineral logam acuan dan harga batubara acuan untuk bulan Januari tahun 2020

Title (English) : Reference prices of metallic minerals and coal for January 2020

Summary

Minister of Energy and Resources Decision Number 2 K/30/MEM/2020 covers reference prices of metal minerals for 20 types of metals and reference prices for coal for January 2020. The reference coal price is stipulated at USD/ton. As of December 2019, the reference price for coal is at 65.93 USD/ton. For metallic minerals prices, they are stipulated in US\$/dmt. The types of minerals as stated in the regulation including cobalt, lead, zinc, nickel, aluminium, copper, etc. The reference prices and other details of every type of mineral are all listed in the appendix.

5. Regulation : [4 K/12/MEM/2020](#)

Date : 2 January 2020

Title : Penetapan harga minyak mentah Indonesia bulan Desember 2019
(Indonesian)

Title (English) : Determination of Indonesian crude oil prices for December 2019

Summary

Minister of Energy and Mineral Resources Decision Number 4 K/12/MEM/2020 specifically sets the average price of Indonesian crude oil for December 2019 at US\$ 67.18/barrel. This regulation includes the prices of Indonesian crude oil for the main crude oils and other types of crude oil listed in the appendix. For every type of oil, other than their prices, there are also details concerning their formula, dated brent, and alpha. This regulation is in force since 2 January 2020.

6. Regulation : [268 K/12/MEM/2019](#)

Date : 31 December 2019

Title : Harga jual eceran jenis bahan bakar minyak tertentu dan jenis bahan bakar minyak
(Indonesian) khusus penugasan

Title (English) : Retail selling prices of certain types of oil-based fuels and types of fuels for special assignment

Summary

Minister of Energy and Mineral Resources Decision Number 268 K/12/MEM/2019 stipulates the retail selling prices of certain types of oil-based fuels and types of fuels for special assignment. The prices that are stipulated in this regulation including prices for kerosene, diesel oil and gasoline. All the prices are already included with value added tax, and for diesel oil and gasoline are also included with motor vehicle fuel tax. This regulation is in force since 31 December 2019.

7. Regulation : [261 K/30/MEM/2019](#)

Date : 31 December 2019

Title : Pemenuhan kebutuhan batubara dalam negeri tahun 2020
(Indonesian)

Title (English) : Fulfilment of domestic coal needs for year 2020

Summary

In order to implement Article 32 paragraph (2) Minister of Energy and Resources Number 25 of 2018 concerning Mineral and Coal Mining Business Operations that has been amended several time, it is necessary to stipulate a Minister of Energy and Resources Decision concerning Fulfilment of Domestic Coal Needs for Year 2020.

This regulation regulates several matters as follows:

1. Minimum percentage of coal sales for domestic market obligation that shall be fulfilled by the holder of for operation permit in coal production mining
2. Operation permit for special mining operation of coal production

3. Obligation to pay compensation if the coal sales for domestic market obligation is not fulfilled
4. Obligation to provide electricity power for public interest according to the sales contract
5. Obligations of business entity that provide electricity power
6. Determination of coal prices
7. Additional sanctions
8. Guideline for imposing compensation

This regulation revokes Minister of Energy and Resources Decision Number 1395 K/30/MEM/MEM/2018 dated 9 March 2018 concerning Selling price of Coal for Provision of Electric Power for the Public Interest and it is in force since 1 January 2020.

8. Regulation : [269 K/10/MEM/2019](#)
- Date : 31 December 2019
- Title : Perubahan atas Keputusan Menteri Energi dan Sumber Daya Mineral Nomor 138
(Indonesian) K/12/MEM/2019 tentang formula harga minyak mentah Indonesia
- Title (English) : Amendment of Minister of Energy and Resources Number 138 K/12/MEM/2019
concerning formula of Indonesia crude oil prices

Summary

Minister of Energy and Mineral Resources Decision Number 269 K/10/MEM/2019 stipulated that the formula of Indonesian crude oil prices is calculated based on the publication of dated brent \pm alpha. Director General of Oil and Natural Gas determined the alpha calculation of Indonesian crude oil prices as the reference for Pricing Team to propose crude oil prices. The formula of crude oil prices can be adjusted at any time based on a ministerial decree and the Director General of Oil and Natural Gas determines the price of other crude oils every month. This regulation specifically amended the appendix part concerning the formula for each type of Indonesia crude oil. The regulation is in force since 31 December 2019.

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