



Energy and Resources Regulations Update

The following is a list of the new Energy and Resources regulations.

All regulations are available in Indonesian.

1. Regulation : [UU 3/2020](#)
- Date : 10 June 2020
- Title (Indonesian) : Perubahan atas Undang-undang Nomor 4 tahun 2009 tentang pertambangan mineral dan batubara
- Title (English) : Amendment to Law number 4 year 2009 concerning mineral and coal mining

Summary

In order to respond to developments, problems and legal needs in the implementation of mineral and coal mining, it is necessary to make changes in regulations related to mineral and coal mining so that they can become an effective, efficient and comprehensive legal basis for the implementation of mineral and coal mining. This regulation, among others, amends the following matters:

1. Related to the control of coal and mining, it is agreed that the control of coal and mining is held by the central government through the functions of policy, regulation, administration, management and supervision.
2. The Mining Area as part of the Mining Legal Area is the basis for determining Mining Business Activities.
3. Maximum area of People's Mining Areas (WPR) is up to 100 hectares
4. Mining business is carried out based on business licenses from the central government
5. The provincial government gets 1.5% of the results of mining activities
6. There is an obligation for the minister to provide mining data and information
7. There is an obligation for holders of IUP (Mining Business Permit) and IUPK (Special Mining Business Permit) to use mining roads in the implementation of mining business activities.
8. There is an obligation for holders of IUP (Mining Business Permit) and IUPK (Special Mining Business Permit) to allocate funds for the implementation of community development and empowerment programs, the minimum amount of which is determined by the minister.
9. Obligation for business entities holding Production Operation IUP or Production Operation IUPK whose shares are owned by foreign parties to divest shares of 51 percent in stages to the central government, regional governments, state-owned enterprises, regional-owned enterprises, and/or national private business entities.
10. Obligation for Holders of Production Operation IUP and Production Operation IUPK to provide funds for resilience of mineral and coal reserves used for new reserve discovery activities.

This regulation is in force since 10 June 2020.

2. Regulation : [Permendag 56/2020](#)
- Date : 27 May 2020
- Title (Indonesian) : Penetapan harga patokan ekspor atas produk pertambangan yang dikenakan bea keluar
- Title (English) : Determination of benchmark export prices for mining products subject to export duty

Summary

Minister of Trade Regulation Number 56 year 2020 covers the determination of benchmark export prices for mining products subject to export duty. The regulation stipulates the export price based on the highest average price in international exchanges, FOB (Free On Board), and the highest average price that applies in the domestic market or the highest average price in the last month before the stipulation of the benchmark export price from the importing country from which the mining products come. The benchmark export price in the regulation includes the product's description and its tariff in USD/WE unit. This regulation is in force since 27 May 2020.

3. Regulation : [110 K/30/MEM/2020](#)
- Date : 10 June 2020
- Title (Indonesian) : Perubahan atas Keputusan Menteri Energi dan Sumber Daya Mineral nomor 3646 K/30/MEM/2017 tentang pelimpahan wewenang Menteri Energi dan Sumber Daya Mineral kepada Direktur Jenderal Mineral dan Batubara dalam penetapan penyesuaian dan peningkatan tahap kegiatan, serta penciptaan wilayah kontrak karya dan perjanjian karya perusahaan pertambangan batubara
- Title (English) : Amendment minister of energy and mineral resources decision number 3646 K/30/MEM/2017 regarding delegation of authority of the minister of energy and mineral resources to the director general of mineral and coal in the stipulation of adjustment and upgrading of activity phases, as well as reduction of the areas of contracts of work and coal mining contract of work

Summary

In order to respond the challenges and obstacles in exploration activities carried out by holders of work contracts and coal mining concessions agreement, Minister of Energy and Mineral Resources established this regulation. This regulation regulates the following matters:

1. Technical criteria and requirements for extension of the stage of exploration activities for work contracts and coal mining concession agreement

2. Flowchart of application, evaluation and approval for extension
3. Format of application for extension
4. Flowchart of application, evaluation and approval of disbursement guarantee the first phase of exploration
5. Format of the request for approval for disbursement guarantee first stage exploration commitment
6. Flowchart of request, evaluation, and approval for disbursement guarantee second exploration commitment
7. Format of request for approval for disbursement of the second phase of exploration commitment

This regulation is in force since 10 June 2020.

4. Regulation : [108 K/32/MEM/2020](#)
- Date : 5 June 2020
- Title (Indonesian) : Harga mineral logam acuan dan harga batubara acuan untuk bulan Juni tahun 2020
- Title (English) : Reference prices of metallic minerals and coal for June 2020

Summary

Minister of Energy and Resources Decision Number 108 K/32/MEM/2020 covers reference prices of metal minerals for 20 types of metals and reference prices for coal for June 2020. The reference coal price is stipulated at USD/ton. As of June 2020, the reference price for coal is at 52.98 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 : [107 K/12/MEM/2020](#)
- Date : 5 June 2020
- Title (Indonesian) : Penetapan harga minyak mentah Indonesia bulan Mei 2020
- Title (English) : Determination of Indonesian crude oil prices for May 2020

Summary

Minister of Energy and Mineral Resources Decision Number 107 K/12/MEM/2020 specifically sets the average price of Indonesian crude oil for May 2020 at US\$ 25.67/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 5 June 2020.

6. Regulation : [97 K/32/MEM/2020](#)
- Date : 11 May 2020
- Title (Indonesian) : Harga mineral logam acuan dan harga batubara acuan untuk bulan Mei tahun 2020
- Title (English) : Reference prices of metallic minerals and coal for May 2020

Summary

Minister of Energy and Resources Decision Number 97 K/32/MEM/2020 covers reference prices of metal minerals for 20 types of metals and reference prices for coal for May 2020. The reference coal price is stipulated at USD/ton. As of May 2020, the reference price for coal is at 61.11 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.

7. Regulation : [95 K/12/MEM/2020](#)
- Date : 8 May 2020
- Title (Indonesian) : Penetapan harga minyak mentah Indonesia bulan April 2020
- Title (English) : Determination of Indonesian crude oil prices for April 2020

Summary

Minister of Energy and Mineral Resources Decision Number 95 K/12/MEM/2020 specifically sets the average price of Indonesian crude oil for April 2020 at US\$ 20.66/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 8 May 2020.



Contact

Clients & Markets

Deloitte Indonesia

Email: IDMarcomm@deloitte.com

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organisation”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax & legal and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the “Deloitte organisation”) serves four out of five Fortune Global 500® companies. Learn how Deloitte’s approximately 312,000 people make an impact that matters at www.deloitte.com.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Ho Chi Minh City, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Shanghai, Singapore, Sydney, Taipei, Tokyo and Yangon.

About Deloitte Indonesia

In Indonesia, services are provided by Deloitte Touche Solutions.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organisation”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.