Energy and Resources (E&R) Regulations Update KM No.05/October/2023 23 October 2023



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 : Permen ESDM 10/2023

Date : 11 September 2023

Title (Indonesian) : Tata Cara Penyusunan, Penyampaian, dan Persetujuan Rencana Kerja dan Anggaran

Biaya Serta Tata Cara Pelaporan Pelaksanaan Kegiatan Usaha Pertambangan Mineral

dan Batubara

Title (English) : Procedures for Preparation, Submission, and Approval of Work Plans and Budget

Costs and Procedures for Reporting on the Implementation of Mineral and Coal

Mining Business Activities

Summary

This regulation discusses the reporting of mineral and coal mining activities in Indonesia. This regulation explains the procedures for the preparation, submission, evaluation, and approval of the Work Plan and Budget (RKAB) in the exploration and production operation stages.

The steps of the RKAB approval procedure include:

Preparation of RKAB, in which the holder of a mining business license prepares an RKAB for the exploration and production operation stages,

Submission of RKAB, where the holder of a mining business license submits the RKAB to the Minister or Governor in accordance with their authority in electronic form and or through an information system,

RKAB approval from the Minister or Governor in accordance with their authority to show that the proposed mineral and coal mining business activity plan has met the specified requirements.

Holders of Mining Business License (IUP) and Special Mining Business License (IUPK) must prepare and submit periodic reports, final reports, and special reports to the Minister or Governor. Periodic reports consist of monthly and/or quarterly reports. The final report includes a full exploration report and feasibility study report. This document also explains the procedures for evaluating the report and provides a maximum of 30 working days to approve or reject the RKAB.

This regulation is in effect starting 11 September 2023.

2. Regulation : <u>335.K/MB.01/MEM.B/2023</u>

Date : 11 October 2023

Title (Indonesian) : Harga Mineral Logam Acuan dan Harga Batubara Acuan Untuk Bulan Oktober 2023

Title (English) : Reference Metal Mineral Price and Reference Coal Price for October 2023

Summary

The Decree of the Minister of Energy and Resources number 335.K/MB.01/MEM.B/2023 establishes the reference price of metal minerals and reference price of coal for October 2023. The metal mineral commodities mentioned in this Decree are nickel, cobalt, lead, zinc, aluminium, copper, forms of gold, forms of silver, forms of tin, manganese, iron ore, chrome ore, ilmenite concentrate, and titanium concentrate. There are different reference prices for each commodity as seen in the appendix of the Decree.

Reference price for Coal (6.322 GAR) is 123,96 USD/ton,

Reference price for Coal I (5.300 GAR) is 81,38 USD/ton,

Reference price for Coal II (4.100 GAR) is 50,41 USD/ton.

Reference price for Coal III (3.400 GAR) is 25,50 USD/ton.

This regulation is in effect starting 11 October 2023.

3. Regulation : <u>297.K/MB.01/MEM.B/2023</u>

Date : 15 September 2023

Title (Indonesian) : Tata Cara Pemrosesan Penerbitan dan Pendaftaran Izin Usaha Pertambangan

Title (English) : Processing Procedure for Issuance and Registration of Mining Business License

Summary

In order to ensure legal certainty and provide guidelines in processing the issuance and registration of mining business licenses, the Minister of Energy and Mineral Resources issued Decree Number 297.K/MB.01/MEM.B/2023 concerning Processing Procedure for Issuance and Registration of Mining Business License.

The procedures that mining companies must follow to obtain a mining permit include the following:

Submission of application, where a mining company must submit an application for processing and registration of the mining permit that should also include administrative requirements and criteria for the mining area.

Administrative, Technical, Environmental, and Financial Requirements must be fulfilled.

Criteria for Mining Area that includes ensuring that the mining area does not overlap with other mining areas of the same commodity and is not located in restricted areas.

Evaluation and processing of the application will be evaluated and processed by the relevant authorities, including the Director General of Minerals and Coal and other relevant departments.

This regulation is in effect starting 15 September 2023.

4. Regulation : 296.K/MB.01/MEM.B/2023

Date : 14 September 2023

Title (Indonesian) : Penetapan Jenis Komoditas Yang Tergolong Dalam Klasifikasi Mineral Kritis

Title (English) : Determination of Commodity Types Included in the Classification of Critical Minerals

Summary

The Indonesian government has issued regulations regarding the implementation of mining activities and the classification of critical minerals. The regulations include the determination of specific commodities that are classified as critical minerals, which are minerals that are important for the national economy and defense and have the potential for supply disruptions without suitable alternatives. The classification is based on criteria such as minerals used as raw materials in national strategic industries.

This regulation is in effect starting 14 September 2023.

5. Regulation : <u>291.K/GL.01/MEM.G/2023</u>

Date : 14 September 2023

Title (Indonesian) : Standar Penyelenggaraan Persetujuan Penggunaan Air Tanah

Title (English) : Standard for the Implementation of Groundwater Use Approval

Summary

Decree of the Minister of Energy and Mineral Resources on Standards for the Implementation of Groundwater Use Approval. This regulation outlines the procedures and requirements for obtaining approval for groundwater use in river areas and other groundwater basins. Applications for approval may be submitted by individuals, community groups, government agencies, legal entities, or social institutions. Applications can be made to fulfill daily needs or group activities with a minimum groundwater usage of 100 cubic meters per month. This document also describes the process of verification, evaluation and issuance of groundwater use approval. If groundwater exploration drilling or excavation is not carried out within 60 days, the approval can be declared void. In addition, this document also includes requirements for reporting the results of groundwater exploration drilling/excavation and supervision of pumping test activities. If the application is denied, the applicant must close the exploratory groundwater drilling/digging well.

This regulation is in effect starting 14 September 2023.

6. Regulation : **290.K/MB.01/MEM.B/2023**

Date : 14 September 2023

Title (Indonesian) : Harga Mineral Logam Acuan dan Harga Batubara Acuan Untuk Bulan September 2023

Title (English) : Reference Metal Mineral Prices and Reference Coal Prices for September 2023

Summary

The Decree of the Minister of Energy and Resources number 290.K/MB.01/MEM.B/2023 establishes the reference price of metal minerals and reference price of coal for September 2023. The metal mineral commodities mentioned in this Decree are nickel, cobalt, lead, zinc, aluminium, copper, forms of gold, forms of silver, forms of tin, manganese, iron ore, chrome ore, ilmenite concentrate, and titanium concentrate. There are different reference prices for each commodity as seen in the appendix of the Decree.

Reference price for Coal (6.322 GAR) is 133,13 USD/ton,

Reference price for Coal I (5.300 GAR) is 89,11 USD/ton,

Reference price for Coal II (4.100 GAR) is 53,83 USD/ton.

Reference price for Coal III (3.400 GAR) is 31,82 USD/ton.

This regulation is in effect starting 14 September 2023.

7. Regulation : <u>324.K/MG.03/DJM/2023</u>

Date : 1 September 2023

Title (Indonesian) : Harga Minyak Mentah Indonesia Bulan Agustus 2023

Title (English) : Indonesia Crude Oil Price in August 2023

Summary

This regulation sets the price of Indonesian crude oil in August 2023, which includes prices for Primary Crude Oil and Other Crude Oil. The Other Crude Oil Price consists of Permanent Crude Oil Price and Temporary Crude Oil Price. The average price of Indonesian Crude Oil for August 2023 is US\$ 82,59/barrel. This regulation also contains an appendix that describes the prices of various types of main crude oil, permanent crude oil, and temporary crude oil, along with their formulas.

This regulation is in effect starting 1 September 2023.

8. Regulation : <u>258.K/MB.01/MEM.B/2023</u>

Date : 18 August 2023

Title (Indonesian) : Pedoman Pemberian Wilayah Izin Usaha Pertambangan dan Wilayah Izin Usaha

Pertambangan Khusus Mineral Logam dan Batubara

Title (English) : Guidelines for Granting Mining Business License Areas and Special Mining Business

License Areas for Metal Minerals and Coal

Summary

This regulation is issued by the Minister of Energy and Mineral Resources of the Republic of Indonesia. The regulation outlines the guidelines for granting mining business permits in Indonesia, particularly in the mineral and coal mining sector. The key points mentioned include:

The need for guidelines to improve investment in mineral and coal mining.

The necessity to update existing regulations and guidelines.

The process for granting mining permits to state-owned and local businesses, including priority offers and auctions.

The eligibility criteria for different types of businesses based on their size and type of mining.

The formation of committees to oversee the auction process.

This regulation revokes the previous guidelines for granting mining business license areas and special mining business license areas for metal minerals and coal.

This regulation is in effect starting 18 August 2023.

9. Regulation : <u>Kepmendag 1643/2023</u>

Date : 29 August 2023

Title (Indonesian) : Harga Patokan Ekspor atas Produk Pertambangan yang Dikenakan Bea Keluar

Title (English) : Export Benchmark Price of Mining Products Subject to Export Duty

Summary

In order to carry out the Decree of the Minister of Trade Number 1643 of 2023 concerning Procedures for Determining the Export Benchmark Price of Mining Products Subject to Export Duty, this regulation is constituted to determine the export benchmark price of mining products subject to export duty. The addendum in this regulation discloses the standard export price for each mining product subject to export duty for the period of 1 September 2023 – 30 September 2023. Mining products included in this regulation are as follows:

Copper concentrates with a variety of level of contents,

Laterite iron concentrates with a variety of level of contents,

Lead concentrates with a variety of level of contents,

Zinc concentrates with a variety of level of contents.

This regulation is in effect starting 1 September 2023.



Contact
Clients & Markets
Deloitte Indonesia
IDMarcomm@deloitte.com

Deloitte.

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 organization"). 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 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 is a separate and independent legal entity, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Bengaluru, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

About Deloitte Indonesia

In Indonesia, services are provided by Imelda & Rekan, Deloitte Touche Solutions, PT Deloitte Konsultan Indonesia, and PT Deloitte Advis Indonesia..

This communication contains general information only, and none of DTTL, its global network of member firms or their related entities 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.

© 2023 Deloitte Touche Solutions