



## 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 : [Perpres RI 98/2021](#)  
Date : 29 October 2021  
Title (Indonesian) : Penyelenggaraan nilai ekonomi karbon untuk pencapaian target kontribusi yang ditetapkan secara nasional dan pengendalian emisi gas rumah kaca dalam pembangunan nasional  
Title (English) : Implementation of carbon economic value to achieve nationally determined contribution target and the regulation of greenhouse emission in national development

**Summary**

Considering the various impacts of climate change that affect people's quality of life, various steps are made to protect the community, including climate control efforts. Carbon as a universal indicator to measure the performance of climate change control efforts has an important economic value and international dimension. The Presidential Regulation Number 98 of 2021 regulates the implementation process of economic value of carbon to achieve nationally determined contribution targets and controlling greenhouse gas emissions in national development, including: purpose, objective, and scope; efforts to achieve the Nationally Determined Contribution (NDC) target; management of the implementation of the carbon economic value; transparency framework; monitoring and evaluation; guiding and funding; and the guidance committee of the management of Carbon Economic Value to achieve NDC and control of Greenhouse Gas Emissions. The implementation of efforts to achieve the NDC target is carried out through the implementation of climate change mitigation and climate change adaptation.

This regulation is in effect starting 29 October 2021.

2. Regulation : [Permen ESDM 28/2021](#)  
Date : 14 December 2021  
Title (Indonesian) : Perubahan atas peraturan Menteri Energi dan Sumber Daya Mineral nomor 26 tahun 2009 tentang penyediaan dan pendistribusian liquefied petroleum gas  
Title (English) : Amendment to the regulation of the Minister of Energy and Mineral Resources number 26 of 2009 concerning the supply and distribution of liquefied petroleum gas

**Summary**

Several provisions in the Regulation of the Minister of Energy and Mineral Resources Number 26 of 2009 concerning the Provision and Distribution of Liquefied Petroleum Gas (State Gazette of the Republic of Indonesia of 2009 Number 333) were amended, including: Renewing the definitions of various terms namely oil, natural gas, liquefied petroleum gas (LPG), and others, as well as removing definitions 6, 14 and 15; Updating regulations regarding LPG supply, LPG distribution, LPG users, LPG selling price, LPG standards and quality as well as oil and gas safety, utilization of domestic potential, as well as guidance and supervision.

This regulation is in effect starting 14 December 2021.

3. Regulation : [Permen ESDM 29/2021](#)  
Date : 27 October 2021

Title : Tata cara penetapan metodologi, formula harga dan harga minyak mentah  
(Indonesian) Indonesia

Title (English) : Procedure to stipulate methodology, price formula, and crude oil price in Indonesia

#### **Summary**

This regulation concerns Indonesian Crude Oil which consists of Main Crude Oil and Other Crude Oil, namely: Permanent Crude Oil and Temporary Crude Oil. Determination of Indonesian Crude Oil Price Formula could be regulated by benchmarking method; indexation method; or auction method. The Minister of Energy and Mineral Resources stipulates the Indonesian Crude Oil Price Formula, in coordination with the minister in charge of government affairs of state finance. Indonesian Crude Oil Price Formula consists of Main Crude Oil price formula and Other Crude Oil price formula consisting of permanent Crude Oil price formula, and temporary Crude Oil price formula.

The Minister of Energy and Mineral Resources through the Director General of Oil and Gas determines the Indonesian Crude Oil Price based on the Indonesian Crude Oil Price Formula. Indonesian Crude Oil Price is used for calculating the profit sharing in the Cooperation Contract and the lowest calculation basis for the sale of the state's share of crude oil originates from the implementation of the Cooperation Contract.

Further provisions concerning the guidelines and procedures for determining the methodology, price formula, and Indonesian Crude Oil Price is stipulated by the Minister of Energy and Mineral Resources through the Director General of Oil and Gas. The Indonesian Crude Oil Price Formula which has been stipulated prior to this Ministerial Regulation will remain valid and within a maximum period of 2 (two) years must comply with the provisions in this Ministerial Regulation. This regulation is in effect starting 27 October 2021.

4. Regulation : [Permen ESDM 30/2021](#)
- Date : 28 October 2021
- Title : Tata cara penetapan alokasi dan pemanfaatan serta harga gas suar pada kegiatan  
(Indonesian) usaha hulu minyak dan gas bumi
- Title (English) : Procedure to stipulate allocation and usage, and flare gas price in upstream oil and  
gas business activities

#### **Summary**

Gas Flare can be used for the purpose of providing electricity, utilizing gas through pipes for industry or households, compressed natural gas, liquefied petroleum gas, dimethyl ether, and/or other purposes according to its composition. The determination of the allocation, utilization and price of Gas Flare is carried out based on a request. The application is submitted by the Contractor to the Minister through SKK Migas and/or BPMA according to their authority. By the time this Ministerial Regulation is in effect, the Gas Flare sale and purchase agreement which was signed prior to the enactment of this Ministerial Regulation shall remain valid until the expiration date of said Gas Flare sale and purchase agreement; and the price of Gas Flare that has been determined prior to the enactment of this Ministerial Regulation remains valid. This regulation is in effect starting 28 October 2021.

5. Regulation : [199.K/HK.02/MEM.M/2021](#)
- Date : 18 October 2021
- Title : Pedoman pemberian insentif kegiatan usaha hulu minyak dan gas bumi  
(Indonesian)

Title (English) : Guidelines for incentive provision of upstream oil and gas business activities

**Summary**

This guideline for providing incentives is used as a reference for units within the Ministry of Energy and Mineral Resources for the implementation of process flow and evaluation in order to determine the provision of incentives by the Minister. The principle of providing incentives is the minimum amount based on the evaluation results that can provide optimal economic impact for the Government and Contractors. Incentives are given based on economic parameters commonly used in the oil and gas industry, including the Internal Rate of Return (IRR) or the Profitability Index (PI), the amount of which refers to reasonable practices in the oil and gas industry. The Special Task Force for Upstream Oil and Gas Business Activities shall evaluate the proposal for providing incentives and provide recommendations to the Minister. Supervision and control over the provision of incentives is carried out every 6 (six) months or when necessary. May recommend the Minister to review the approval of the incentives that have been given, if the contractor does not carry out their obligations in accordance with the agreement or has reached and exceeded the economic parameters stipulated in the agreement. Developing the Standard Operating Procedures (SOP) regarding the evaluation of proposals (including the parameters and evaluation methods used), implementation and supervision of incentives. Economic parameters and evaluation methods are based on the principles of accountability and transparency; economic, technical, risk level, and efficiency considerations; and assessment of economic measures commonly used in the upstream oil and gas business activities. This regulation is in effect starting 18 October 2021.

6. Regulation : [204.K/HK.02/MEM.B/2021](#)
- Date : 22 October 2021
- Title (Indonesian) : Penetapan jenjang kualifikasi nasional Indonesia bidang eksplorasi terperinci dan studi kelayakan mineral dan batubara
- Title (English) : Determination of Indonesia national qualification for detailed exploration areas and mineral and coal feasibility studies

**Summary**

Indonesia's National Qualification Levels for Detailed Exploration and Mineral and Coal Feasibility Studies are the minimum reference in implementation of competency-based education and/or training, implementation of competency certification, recruitment and selection, career system, and/or recognition of qualification equality. The Indonesian National Qualification Level for Detailed Exploration and Mineral and Coal Feasibility Studies could be reviewed every 5 (five) years or as needed. Parties who will use the Indonesian National Qualification Levels for Detailed Exploration and Feasibility Studies of Mineral and Coal as a reference in implementing competency-based education and/or training or implementing competency certification must first obtain the approval of the Director General of Mineral and Coal. This regulation is in effect starting 22 October 2021.

7. Regulation : [218.K/HK.02/MEM.B/2021](#)
- Date : 28 October 2021
- Title (Indonesian) : Harga mineral logam acuan dan harga batubara acuan untuk bulan November tahun 2021
- Title (English) : Reference price of metal minerals and reference price of coal for November 2021

**Summary**

The decision of the Minister of Energy and Resources number 193.K/HK.02/MEM.B/2021 establishes the reference price of metal minerals and reference price of coal for November 2021. The metal mineral commodities mentioned in this decision 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 decision. The reference price for coal is 215,01 USD/ton.

This regulation is in effect starting 28 October 2021.

8. Regulation : [221.K/HK.02/MEM.B/2021](#)
- Date : 12 November 2021
- Title (Indonesian) : Pedoman pelaksanaan pemindahtanganan izin usaha pertambangan, izin usaha pertambangan khusus dan pengalihan sebagian wilayah izin usaha pertambangan/wilayah izin usaha pertambangan khusus pada kegiatan usaha di bidang pertambangan mineral dan batubara
- Title (English) : Guideline for the implementation of the transfer of mining business permits, special mining business permit and transfer of part of the mining business permit area/ special mining business permit area for business activities in the mineral and coal mining sector

**Summary**

This regulation stipulates the Guideline for the Implementation of Applications, Evaluations, and Approval, which consist of Guidelines for the Implementation of Applications, Evaluations, and Approval for the Transfer of Mining Business Permits (IUP)/Special Mining Business Permits (IUPK), and Guidelines for the Execution of Applications, Evaluations, and Approval of Area Transfer of Mining Business Permit Areas (WIUP)/Special Mining Business Permit Areas (WIUPK) Stages of Production Operation Activities for State-Owned Enterprises (BUMN).

The IUP/IUPK stages of production operation activities originating from the transfer of a part of the WIUP/WIUPK production operation stages is given a time period in accordance with the remaining term of the IUP/IUPK production operation stages of which the WIUP/WIUPK production operation stages is transferred and could be extended in accordance with the provisions of the law. To obtain approval for the development plan of WIUP/WIUPK on the production operation stage that will be diverted, the SOE must submit a request application that contains at least; resource and backup data; plan of activities in the development area; the technology used and the product that will be produced; investment value and required sources of financing; and economic benefits.

This regulation is in effect starting 12 November 2021.

9. Regulation : [243.K/HK.02/MEM.B/2021](#)
- Date : 7 December 2021
- Title (Indonesian) : Harga mineral logam acuan dan harga batubara acuan untuk bulan Desember tahun 2021
- Title (English) : Reference price of metal minerals and reference price of coal for December 2021

**Summary**

The decision of the Minister of Energy and Resources number 193.K/HK.02/MEM.B/2021 establishes the reference price of metal minerals and reference price of coal for November 2021. The metal mineral commodities mentioned in this decision

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 decision. The reference price for coal is 159,79 USD/ton.  
This regulation is in effect starting 7 December 2021.



## Contact

### Clients & Markets

### Deloitte Indonesia

Email: [IDMarcomm@deloitte.com](mailto:IDMarcomm@deloitte.com)

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