

New Regulation of the Minister of Energy and Mineral Resources

In November 2020, the Minister of Energy and Mineral Resources of the Republic of Indonesia (“MEMR”) issued the Regulation No. 17 of 2020 (“**RM 17/2020**”) concerning the Third Amendments to the Regulation of Minister of Energy and Mineral Resources No. 25 of 2018 concerning the Minerals and Coal Mining Businesses (“**RM 25/2018**”). This regulation was issued to ensure the development of domestic refinery facilities by the holders of coal and mineral mining business licenses. RM 17/2020 provides for the extensions of periods during which certain types of businesses are allowed to export their respective products, which were previously regulated under RM 25/2018.

The following table summarizes the period extensions contained in RM 17/2020:

No.	Description	Previous Deadline	New Deadline	Notes
1	Sales of processed products abroad for holders of: a. Mining Business License (<i>Izin Usaha Pertambangan – “IUP”</i>) Metal Mineral Production Operations (<i>IUP Operasi Produksi Mineral Logam</i>); or b. Special Mining Business License (<i>Izin Usaha Pertambangan Khusus – “IUPK”</i>) Metal Mineral Production Operations (<i>IUPK Operasi Produksi Mineral Logam</i>)	11 January 2022	10 June 2023	Subject to approval from the Directorate General of Foreign Trade (“ DGFT ”) and recommendation from the Directorate General of Minerals and Coals (“ DGMC ”)
2	Sales of processed products abroad for holders of the Processing and/or Refinery Business Licenses (<i>Izin Usaha Pengolahan dan/atau Pemurnian</i>) which were issued prior to the issuance of the Government Regulation No. 1 of 2017 regarding the Fourth Amendments to the	11 January 2022	Until the export approval expires	Subject to DGFT approval and DGMC recommendation



No.	Description	Previous Deadline	New Deadline	Notes
	Government Regulation No. 23 of 2010 regarding the Implementation of Mineral and Coal Mining Business Activities			
3	Sales of anode slime as by-products or residues produced during copper refining processes for holders of the Processing and/or Refinery Business Licenses	11 January 2022	10 June 2023	Subject to DGFT approval and DGMC recommendation
4	Sales of washed bauxite with $A_{12}O_3$ content $\geq 42\%$ for holders of IUP Production Operations which have built or in the process in building, their own refinery facility or cooperating with other party(ies) to build refinery facility	11 January 2022	10 June 2023	Subject to approval from DGFT and recommendation from DGMC

The recommendation as mentioned in table above, will be granted to holders of IUP Production Operations if the physical progress of the construction of refinery facility have reached the level of progress in accordance with the refinery facility construction plan that has been verified by an independent appraiser no later than 10 June 2023. Similar requirements also apply for holders of IUPK Production Operations although no deadline has been determined in this regard.

Apart from the amendments under RM 17/2020 as mentioned above, RM 17/2020 removes Article 48 of RM 25/2018 which stipulates that holders of Contract of Work (*Kontrak Karya* - "KK") that have converted their mining business licenses to IUPK Production Operations can export processing products in certain quantities by using the relevant Tariff Post/HS (Harmonized System).

Furthermore, RM 17/2020 stipulates 2 (two) new provisions, as follows:

1. Article 52 A

This provision allows the holders of IUP Production Operations to amend their respective refinery facility construction plan after it has been verified by an independent appraiser.



Such amendment must be notified to MEMR through DGMC no later than 90 (ninety) days after the enactment of RM 17/2020.

2. Article 57 A

This provision stipulates that the export approvals granted before RM 17/2020 comes into effect will remain valid until the expiration of the relevant export approvals.

This client alert is intended to provide an overview only, thus, cannot be deemed as a legal advice. Please do not hesitate to contact us if you need a more detailed discussion and/or advice.

BRIGITTA I. RAHAYOE & PARTNERS

Emails: Brigitta I. Rahayoe

brigitta@brigitta.co.id

Ahmad Fadli

ahmad.fadli@brigitta.co.id

Michael H. Giovanni

michael.giovanni@brigitta.co.id