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New Amendment to Mineral and Coal Mining Regulations

In September 2025, the Government of the Republic of Indonesia promulgated Government Regulation No. 39 of 2025 regarding the Second Amendment to Government Regulation No. 96 of 2021 regarding the Implementation of Mineral and Coal Mining Business Activities (“GR 39/2025”). This regulation was enacted and took effect on 11 September 2025.

GR 39/2025 serves as the second amendment to Government Regulation No. 96 of 2021 regarding the Implementation of Mineral and Coal Mining Business Activities (“GR 96/2021”). Prior to this, GR 96/2021 was firstly amended by Government Regulation No. 25 of 2024 regarding the Amendment to GR 96/2021. The following are several key provisions of GR 39/2025:

1. **Obtainment of Mining Business License Areas (*Wilayah Izin Usaha Pertambangan* – “WIUP”)**

Similar to the provisions under GR 96/2021, GR 39/2025 reaffirms that a WIUP categorized into the following types: radioactive mineral WIUP, metallic mineral WIUP, coal WIUP, non-metallic mineral WIUP, specific non-metallic mineral WIUP, and rock WIUP. However, GR 39/2025 introduces changes to the methods of obtaining a WIUP, which are now stipulated as follows:

- a. A radioactive mineral WIUP shall be obtained in accordance with the prevailing laws and regulations;
- b. A metallic mineral WIUP and a coal WIUP shall be obtained either through an auction process or by way of priority allocation (whereas previously, under GR 96/2021, such WIUPs could only be obtained through auction). The provisions regarding priority allocation are as follows:
 - i. Priority allocation may be granted to:
 - (1) Cooperatives, small and medium enterprises, or business entities owned by religious community organizations;
 - (2) State-Owned Enterprises (*Badan Usaha Milik Negara* - “BUMN”), Regional-Owned Enterprises (*Badan Usaha Milik Daerah* - “BUMD”), or private business entities for the purpose of improving public access to higher education and enhancing the autonomy and competitiveness of universities; and



- (3) BUMN and private business entities for the purpose of increasing added values or downstream processing;
- ii. The priority allocation shall be determined by the Minister for Energy and Mineral Resources (the “**Minister**”) and shall at least specify the location of the WIUP, the area size, and the type of commodity; and
- c. A non-metallic mineral WIUP, specific non-metallic mineral WIUP, and rock WIUP shall be obtained through a territorial application process.

2. **Exploration and Utilization of Radioactive Minerals**

Previously, GR 96/2021 merely stipulated that the exploration and utilization of radioactive minerals within a radioactive mineral WIUP shall be carried out in accordance with the prevailing laws and regulations. GR 39/2025, in contrast, introduces a more detailed regulatory framework to govern the exploration and utilization of radioactive minerals. Under GR 39/2025, the exploration and utilization of radioactive minerals may be conducted on radioactive minerals obtained from:

- a. A radioactive mineral WIUP; or
- b. Radioactive by-product minerals derived from processing and/or refining activities.

Furthermore, radioactive minerals originating from the abovementioned radioactive by-products may be utilized as a new source of energy.

3. **Area Size of Metallic Mineral WIUP or Coal WIUP**

Previously, GR 96/2021 did not specifically provides for permissible area size of a metallic mineral WIUP or a coal WIUP. In contrast, GR 39/2025 now sets out clear and precise regulations on this matter, as follows:

- a. For cooperatives and small and medium enterprises, the maximum area granted is 2,500 hectares, either for a metallic mineral WIUP or a coal WIUP;
- b. For business entities owned by religious community organizations, the maximum area granted is 25,000 hectares for a metallic mineral WIUP or 15,000 hectares for a coal WIUP;
- c. For BUMN, BUMD, and private business entities collaborating with higher education institutions, the maximum area granted is 25,000 hectares for a metallic mineral WIUP or 15,000 hectares for a coal WIUP; and



- d. For private business entities engaged in activities aimed at increasing added values or downstream processing, the maximum area granted is 25,000 hectares for a metallic mineral WIUP or 15,000 hectares for a coal WIUP.

4. Requirements for Extension of Exploration Activities Period

Both GR 96/2021 and GR 39/2025 stipulate that the holder of a Mining Business License (*Izin Usaha Pertambangan* - "IUP") may be granted an approval from the Minister for the extension of the exploration stage for a period of 1 (one) year per extension, subject to the fulfilment of certain requirements.

Previously, under GR 96/2021, the requirements for such an extension included:

- a. A written application letter;
- b. A study on constraints based on the prescribed technical criteria;
- c. A long-term exploration work plan and budget, detailed by semester for the requested extension period; and
- d. Placement of a performance bond for the implementation of exploration activities in a government bank.

Under GR 39/2025, these requirements have been revised and are now set out as follows:

- a. A report on exploration activities that have been carried out, including any technical or social challenges encountered during the exploration activities;
- b. The extension is sought for the purpose of completing other required permits;
- c. Preparation for mobilization of the necessary facilities or infrastructure has been made;
- d. An exploration work plan and budget covering the entire WIUP area; and
- e. Placement of a performance bond for the implementation of exploration activities in a government bank.



This Client Alert is intended to provide a brief overview only on several provision and may not cover all provisions under the GR 39/2025, thus, cannot be deemed as a legal advice. Please do not hesitate to contact us if you need a more detailed discussion, advice, and/or have specific questions.

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