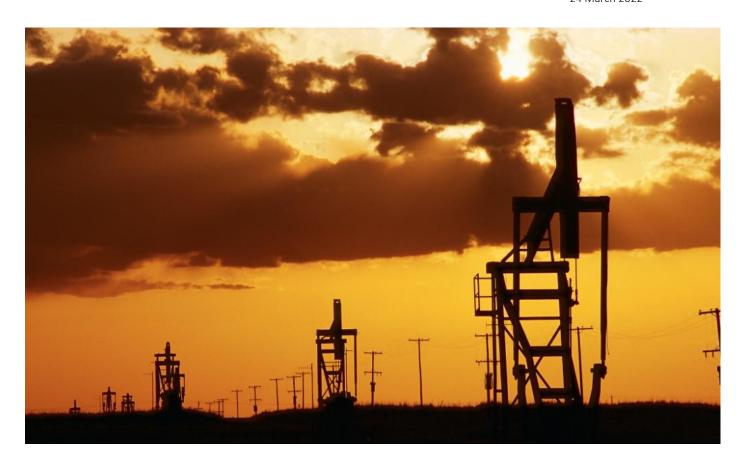


Energy and Resources (E&R) Regulations Update KM No.01/March/2022

24 March 2022



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 117/2021

Date : 31 December 2021

Title : Perubahan Ketiga atas Peraturan Presiden Nomor 191 Tahun 2014 tentang

(Indonesian) Penyediaan, pendistribusian dan harga jual eceran bahan bakar minyak

Title (English) : Third Amendment to Presidential Decree Number 191 of 2014 concerning

Provision, distribution and retail price of fuel oil

Summary

To show support for national commitment to decrease carbon emission by decreasing motored vehicle gas emission, the Presidential Decree Number 191 of 2014 concerning Supply, Distribution and Retail Price of Fuel Oil must be amended. This Presidential Decree amends and adds several articles in the Presidential Decree Number 191 of 2014. Amendment to the provisions in Article 3 regulates types of Special Assignment Fuel Gasoline with a minimum RON of 88 to be distributed throughout the Republic of Indonesia. In determining changes in types of Special Fuel for Assignment and the assignment area, the Minister shall do so based on the results of a coordination meeting chaired by the minister who organizes coordination, synchronization, and control of ministry affairs in the administration of government in the economic sector. In addition to amending Article 3, this Presidential Regulation also adds 2 articles, namely Article 21B and Article 21C. Article 21B discloses that to support clean and environmentally friendly energy, gasoline RON 88 will be applied as a special type of fuel for the assignment from June 1, 2021 until determined by the Minister. In Article 21C, the minister organizes and establishes the plan for clean and environmentally friendly fuel based on the coordination meeting, led by the minister, regarding the coordination, synchronization, and control of the internal ministry affairs in the economic sector. This regulation is in effect starting 31 December 2021.

2. Regulation : Permen ESDM 1/2022

Date : 12 January 2022

Title : Perubahan atas Peraturan Menteri Energi dan Sumber Daya Mineral Nomor 7 Tahun

(Indonesian) 2019 tentang Pengelolaan dan Pemanfaatan Data Minyak dan Gas Bumi

Title (English) : Amendment to Regulation of the Minister of Energy and Mineral Resources Number

7 of 2019 concerning Management and Utilization of Oil and Gas Data

Summary

This regulation amends several provisions in the Regulation of the Minister of Energy and Mineral Resources Number 7 of 2019 concerning Management and Utilization of Oil and Gas Data. The content of Article 1 number 17 is amended and added number 17a, number 17b, and number 17c. These articles discuss the meaning of the following terms: Contractor is a business entity or permanent establishment that carries out Exploration and Exploitation in a Work Area based on a Cooperation Contract with a Special Task Force for Upstream Oil and Gas Business Activities; Firm Commitment is a work plan as stated in the Cooperation Contract; Definite Work Commitment is an investment made by the Contractor to increase reserves and/or production in the first 5 (five) years through Exploration and Exploitation activities based on the Cooperation Contract; and Participating Interest is the rights, interests, and obligations of the Contractor based on the Cooperation Contract.

This regulation is in effect starting 12 January 2022.

3. Regulation : Permen ESDM 35/2021

Date : 30 December 2021

Title : Tata Cara Penetapan dan Penawaran Wilayah Kerja Minyak dan Gas Bumi

(Indonesian)

Title (English) : Procedure for Determination and Bid of Oil and Gas Working Areas

Summary

This Ministerial Regulation regulates the scope of the Ministerial Regulation which includes procedures for the preparation of Oil and Gas Working Areas and bid of Oil and Gas Working Areas; The procedure for the preparation and bid of the Working Area is carried out for the exploitation of conventional Oil and Natural Gas and Non-Conventional Oil and Gas. At the time this Ministerial Regulation is in effect, the Approval of a Direct Offer through a Joint Study that was issued prior to this Ministerial Regulation is declared to remain in effect; The provisions for Contracts of Cooperation for Non-Conventional Oil and Gas Working Areas in this Ministerial Regulation shall apply to Contracts of Cooperation for Coal Methane Gas Working Areas that were signed prior to the date of effect of this Ministerial Regulation; Contracts of Cooperation for Coal Methane Gas Cooperation Areas and Non-Conventional Oil and Gas Working Areas Cooperation Contracts that have been signed and are still in effect prior to the stipulation of this Ministerial Regulation are declared to remain valid until the expiration of the Contracts of Cooperation; Approval of Direct Bidding through Joint Study of Non-Conventional Oil and Gas that was issued prior to the stipulation of this Ministerial Regulation is declared to remain valid and the bidding process for its working area is carried out through a Direct Bid Auction and its exploitation is carried out through the signing of a new Contract of Cooperation; Working Areas that are available before this Ministerial Regulation was in effect, will be announced by the Director General to be able to propose a Direct Offer without a Joint Study within a maximum period of 6 (six) months.

This regulation is in effect starting 30 December 2021.

4. Regulation : Permen ESDM 33/2021

Date : 2 December 2021

Title : Keselamatan dan Kesehatan Kerja, Perlindungan dan Pengelolaan Lingkungan

(Indonesian) Hidup, dan Kaidah Teknis Panas Bumi Untuk Pemanfaatan Tidak Langsung

Title (English) : Occupational Health and Safety, Environmental Protection and Management, and

Geothermal Technical Guidelines for Indirect Use

<u>Summary</u>

This regulation regulates the application of Occupational Health and Safety (K3) and Geothermal Engineering; the protection and management of living environment; the implementation of Geothermal Supporting Business; and the development and supervision of the application of Occupational Health and Safety and Geothermal Engineering, control of pollution and/or environmental damage, and the operation of Geothermal Supporting Businesses.

This regulation is in effect starting 2 December 2021.

5. Regulation : Permendag 9/2022

Date : 23 February 2022

Title : Penetapan Harga Patokan Ekspor Atas Produk Pertambangan Yang Dikenakan Bea

(Indonesian) Kelua

Title (English) : Determination of Export Benchmark Prices for Mining Products Subject to Export

Duties

Summary

In this regulation concerning the Determination of Export Benchmark Prices for Mining Products Subject to Export Duties, the determination of Export Benchmark Prices (HPE) is determined by referring to the highest average price on the international exchange, the highest average Free on Board (FOB) price, the highest average price prevailing in the domestic market, or the highest average price in the importing country of mining products in the last one month prior to the determination of the Export Benchmark Price. The Export Standard Price is used as the basis for determining the Export Price for the calculation of Export Duty by the Minister of Finance. At the time this Ministerial Regulation is in effect, the Regulation of the Minister of Trade Number 04 of 2022 concerning Stipulation of Standard Export Prices for Mining Products Subject to Export Duties, is revoked and declared invalid.

This regulation is in effect starting 23 February 2022.

6. Regulation : 17/PMK.02/2022

Date : 2 March 2022

Title : Jenis dan Tarif atas Jenis Penerimaan Negara Bukan Pajak Kebutuhan Mendesak

(Indonesian) Berupa Denda dan Dana Kompensasi Pemenuhan Kebutuhan Batubara Dalam

Negeri pada Kementerian Energi dan Sumber Daya Mineral

Title (English) : Types and Tariffs for Types of Non-Tax State Revenues Urgent Necessity in the Form

of Fines and Compensation Funds for Fulfilling Domestic Coal Needs at the Ministry

of Energy and Mineral Resources

Summary

This Minister of Finance Regulation stipulates the types of Non-Tax State Revenue that is valid in the Ministry of Energy and Mineral Resources to meet domestic coal needs, consist of fines and compensation funds. Tariffs for the types of Non-Tax State Revenue are listed in the Appendix which is an integral part of this Ministerial Regulation. All Non-Tax State Revenues in the form of fines and compensation funds for meeting domestic coal needs at the Ministry of Energy and Mineral Resources must be deposited into the State Treasury. The procedure for imposing fines and compensation funds for meeting domestic coal needs is determined by the minister who carries out government affairs in the energy and mineral resources sector in accordance with the provisions of the laws and regulations governing Non-Tax State Revenue. This regulation is in effect starting 2 March 2022.

7. Regulation : 194/PMK.02/2021

Date : 21 December 2021

Title (Indonesian)

Tata cara perhitungan persentase tertentu atas peningkatan belanja subsidi bahan bakar minyak dan liquified petroleum gas terhadap kenaikan penerimaan negara

bukan pajak minyak dan gas bumi yang dibagihasilkan

Title (English) : Procedure for calculating a certain percentage of the increase in subsidiary

spending on fuel oil and liquified petroleum gas to the increase in non-tax state

revenues for oil and natural gas that is shared

Summary

This regulation stipulates that non-tax revenue (PNBP) originating from upstream oil and gas business activities, consists of Oil and Gas non-tax revenue, and other Oil and Gas non-tax revenue. Oil and Gas nontax revenue is distributed to the regions in accordance with the provisions of the legislation. The shared oil and gas non-tax revenue target is guided by the State Revenue and Expenditure Budget (APBN) or changes to the current year's APBN. The government implements a policy of providing subsidies for certain types of fuel and the 3 kg LPG to the public in accordance with the provisions of laws and regulations. The government can calculate a certain percentage of the increase in subsidy spending on certain types of fuel and 3 kg LPG to the increase in non-tax revenues from oil and gas that is shared, in the event that the realization of shared oil and gas non-tax revenue exceeds the revenue target in the APBN followed by a policy of increasing subsidies for certain fuels and 3 kg LPG. The total realization of shared Oil and Gas nontax revenue in the current year is calculated by taking into account the imposition of a certain percentage of the increase in subsidy spending on Certain Types of Fuel and 3 Kg LPG. This Ministerial Regulation applies as long as the procedure for calculating a certain percentage of the increase in subsidy spending for the type of fuel and 3 kg LPG for the increase in shared oil and gas non-tax revenue is mandated in the Constitutional Law concerning State Revenue and Expenditure Budget and/or Revised State Revenue and Expenditure Budget.

This regulation is in effect starting 21 December 2021.

8. Regulation : 52/KMK.010/2022

Date : 24 February 2022

Title : Kegiatan Usaha Sektor Pengolahan Sumber Daya Alam Dan Sektor Energi (Indonesian) Terbarukan Sebagai Tujuan Investasi Harta Bersih Dalam Rangka Pelaksanaan

Program Pengungkapan Sukarela Wajib Pajak

Title (English) : Business Activity of Natural Resources Processing Sector and Renewable Energy

Sector as Net Assets Investment Goal in the Context of Implementation of

Taxpayer Voluntary Disclosure Program

Summary

This regulation stipulates that business activities in the natural resources processing sector and the renewable energy sector as the destination for net assets investment in the Taxpayer's Voluntary Disclosure Program; Included in the scope of business activities are the natural resource processing sector and the renewable energy sector, namely certain supporting sectors of the natural resource processing sector and the renewable energy sector; These provisions are in effect at the same time as the Taxpayer Voluntary Disclosure Program.

This regulation is in effect starting 24 February 2022.

9. Regulation : <u>36.K/HK.02/MEM.B/2022</u>

Date : 8 March 2022

Title : Harga mineral logam acuan dan harga batubara acuan untuk bulan Maret tahun

(Indonesian) 2022

Title (English) : Reference price of metal minerals and reference price of coal for March 2022

Summary

The decision of the Minister of Energy and Resources number 36.K/HK.02/MEM.B/2022 establishes the reference price of metal minerals and reference price of coal for March 2022. 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 203,69 USD/ton.

This regulation is in effect starting 8 March 2022.

10. Regulation : <u>18.K/HK.02/MEM.B/2022</u>

Date : 27 January 2022

Title : Pedoman Pembayaran/Penyetoran luran Tetap, luran Produksi/Royalti, dan Dana

(Indonesian) Hasil Produksi Batura serta Besaran/Formula Biaya Penyesuaian Dalam Kegiatan

Usaha Pertambangan Mineral dan Batubara

Title (English) : Guidelines for Payment/Deposit of Fixed Fee, Production Fee/Royalty, and Coal

Production Fund as well as Amount/Formula of Adjustment Fees in Mineral and Coal

Mining Business Activities

Summary

This Ministerial Decree regulates the stipulation of Guidelines for Payment/Deposit of Fixed Contribution, Production Contribution/Royalty, and Coal Production Result Fund as well as Amount/Formula of Adjustment Fees in Mineral and Coal Mining Business Activities as listed in the Appendix which is an integral part of this Ministerial Decree. At the time this Ministerial Decree is in effect, the provisions regarding guidelines for payment/depositing of fixed fees, production fees/royals, and coal production proceeds as regulated in Appendix III letter B and letter C; and guidelines for the amount and formula for adjustment costs as regulated in Appendix IV. Decree of the Minister of Energy and Mineral Resources Number 1823 K/MEM/2018 concerning Guidelines for Implementing the Imposition, Collection, and Payment/Deposit of Mineral and Coal Non-Tax State Revenue, is revoked and declared invalid.

This regulation is in effect starting 27 January 2022.

11. Regulation : <u>15.K/HK.02/MEM.B/2022</u>

Date : 21 January 2022

Title : Tata Cara Pemrosesan Penerbitan dan Pendaftaran Izin Usaha Pertambangan

(Indonesian)

Title (English) : Procedures for Processing Issuance and Registration of Mining Business Permits

Summary

In this ministerial decree, the process of issuance of Mining Business Permit (IUP) of metal mineral or coal, the Director General of Mineral and Coal on behalf of the Minister of Energy and Mineral Resources may stipulate other requirements and conditions that must be fulfilled by the metal mineral or coal Mining Business Permit holder before carrying out mining activities in accordance with the provisions of the legislation. Entities with metal minerals or coal mining business permit resulting from mining business permit arrangement that do not have issues with overlapping Mining Business Permit Area (WIUP) with commodities can apply for mining business permit registration to the Minister of Energy and Resources through the Director General of Mineral and Coal provided that they meet administrative requirements; regional requirements and criteria; and technical, environmental, and financial requirements. This decree also stipulates requirements for processing, issuing, and applying for Mining Business Permit. This regulation is in effect starting 21 January 2022.

12. Regulation : <u>13.K/HK.021/MEM.S/2022</u>

Date : 19 January 2022

Title : Pedoman Pengenaan Sanksi Administratif, Pelarangan Penjualan Batubara Ke Luar

Negeri dan Pengenaan Denda Serta Dana Kompensasi Pemenuhan Kebutuhan

Batubara Dalam Negeri

Title (English) : Guidelines for the Imposition of Administrative Sanctions, Prohibition of Sales of

Coal Overseas and Imposition of Fines and Compensation Funds for Fulfilling

Domestic Coal Needs

Summary

(Indonesian)

This regulation regulates Holders of Mining Business Permits for the Coal Production Operation stage, Special Mining Business Permits for the Coal Production Operations stage, Coal Mining Concession Work Agreements for the Production Operation stage, and Special Mining Business Permits as Continuation of Contract/Agreement Operations, hereinafter referred to as the Agency Mining business, which does not fulfil the obligation to achieve the percentage of coal sales for domestic needs (domestic market obligation) or does not fulfil the sales contract in accordance with the provisions in the Decree of the Minister of Energy and Mineral Resources Number 139.K/HK.02/ MEM.B/2021 will be subject to administrative sanctions in the form of temporary suspension of all production operations or a statement of negligence within a maximum period of 60 (sixty) calendar days; and revocation of Mining Business Permit, Special Mining Business Permit, Special Mining Business Permit as Continuation of Contract/Agreement Operation, or termination of PKP2B.

This regulation is in effect starting 19 January 2022.

13. Regulation : <u>206.K/HK.02/MEM.B/2021</u>

Date : 22 October 2021

Title : Harga jual batubara untuk pemenuhan kebutuhan bahan baku/bahan bakar industri

(Indonesian) semen dan pupuk di dalam negeri

Title (English) : The selling price of coal to fulfill the domestic demand for raw materials/fuel for cement and fertilizer industry

Summary

This regulation determines the selling price of coal to fulfil the domestic demand for raw materials/fuel for the cement and fertilizer industry at USD 90 per metric ton Free On Board (FOB) Vessel, which is based on the reference specification at 6,322 kcal/kg calories, 8% Total Moisture, Total Sulphur 0.8%, and Ash 15% with the provisions listed in the Appendix which is an integral part of this Ministerial Decree. The Selling Price of Coal to Fulfil the Need for Raw Materials/Fuel for the Domestic Cement and Fertilizer Industry is valid until March 31, 2022.

This regulation is in effect starting 22 October 2021.



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