



INFORMATION

Summary Update of the Issuance of Guidelines for the Application, Evaluation, and Processing of Expansion of the Regular and Special Mining Business Permit Areas for the Mineral and Coal Conservation

The Minister of Energy and Mineral Resources, Arifin Tasrif issued the regulation of the Minister of Energy and Mineral Resource Decree No. 266.K/MB.01/MEM.B/2022 of the guidelines for the application, evaluation, and processing of expansion of the regular and special mining businesses permit areas in the context of mineral and coal conservation on November 10th, 2022 and has been effective since.

According to the regulation, the guidelines are divided into 3 appendixes;

1. Guidelines for Application Implementation, Evaluation, and Approval of Work Plans for Expansion of Mining Business Permit Areas (Penetapan Wilayah Izin Usaha Pertambangan/WIUP) or Special Mining Business Permit Areas (Wilayah Izin Usaha Pertambangan Khusus/WIUPK)
2. Guidelines for the Application, Evaluation, and Approval for the Expansion of WIUP or WIUPK; and
3. WIUP or WIUPK Expansion Information Data Compensation Formula.

The regulation stated that only the area to be applied for the expansion of Metal Mineral WIUP is 25.000 hectares and for Coal WIUP is 15.000 hectares, and the area proposed should be WIUPK evaluated by the Minister.

To obtain WIUP or WIUPK, the applicant should acquire the approval from the Director General of Minerals and Coal by applying a first-come-first-served application system by following the requirements as follow:

- a. Application letter;
- b. Final Exploration report and/or follow-up Exploration report containing information points on the area of the Mining License (Izin Usaha Pertambangan/IUP) / Special Mining License (Izin Usaha Pertambangan Khusus/IUPK) area bordering the requested expansion area;
- c. Map and list of coordinates of the area being applied for expansion;
- d. Map of distribution of potential marginal reserves and/or indications of marginal deposits in WIUP or WIUPK;
- e. Interpretation of cross sections and geological or mineralization models in the WIUP or WIUPK which explains that genetically there is continuity in the area being applied for expansion;
- f. Estimation of the potential amount of metal/coal minerals to be obtained in the area requested for expansion;
- g. A statement letter from a competent geologist/mining expert in the field of reporting the results of mineral and coal exploration regarding the existence of potential marginal reserves and/or indications of marginal deposits in WIUP and WIUPK that genetically exist in continuity in the area requested for expansion; and
- h. Statement of willingness to pay compensation for data and information stipulated by the Minister.

After the applicant acquired the approval of the WIUP or WIUPK, the applicant should to apply for the WIUP or WIUPK Expansion Work Plan by following the requirements as below:

- a. Letter of application or application through online licensing;
- b. The work plan for the expansion area has been approved by the Director General of Minerals and Coal;
- c. Map and coordinate boundaries of the area according to the results of the evaluation; and
- d. Proof of payment of data and information compensation payments in accordance with the amount determined by the Minister.

In addition, the applicant should fulfill all the requirements and obligations related to the aspects of mining exploitation and good mining technical principles based on the provisions of laws and regulations. Furthermore, at the time the Ministerial Decree comes into effect, applications for expansion of WIUP or WIUPK that have been filed before the enactment of the Ministerial Decree must be filed again following all the requirements in the new decree.

Reference:

- Minister of Energy and Mineral Resources Decree No. 266.K/MB.01/MEM.B/2022 concerning Guidelines for Application, Evaluation, and Processing of Expansion of Mining Business Permit Areas and Special Mining Business Permit Areas in the Context of Mineral and Coal Conservation

If you require a copy of the reference documents above, please do not hesitate to contact research@ibai.or.id
Thank you for your attention and hope this information would be valuable for you.

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