

**SUPERVISION UPON THE ORGANIZATION OF  
MINING BUSINESS MANAGEMENT PERFORMED BY  
THE GOVERNMENT OF PROVINCE AND  
THE GOVERNMENT OF DISTRICT/CITY  
(The Regulation of the Minister of Energy and Mineral  
Resources Number 01 Year 2013, 11 January 2013)**

BY THE GRACE OF ONE AND ALMIGHTY GOD

THE MINISTER OF ENERGY AND  
MINERAL RESOURCES OF  
REPUBLIC OF INDONESIA,

Considering:

in order to implement the provision of Article 35 of the Government Regulation Number 55 Year 2010 concerning Development and Supervision upon the Organization of Mineral and Coal Mining Business Management, it is necessary to stipulate the Regulation of the Minister of Energy and Mineral Resources concerning Supervision Upon the Organization of Mining Management Implemented by the Provincial Government and Regency/Municipal Government;

In view of:

1. The Law Number 32 Year 2004 (BN No. 7152 page 9B-18B) concerning Local Governance (State Gazette of the Republic of Indonesia Year 2004 Number 125, Supplementary State Gazette of the Republic of Indonesia Number 4437) as has been amended for twice, the last one with the Law Number 12 Year 2008 (BN No. 7661 page

11B-18B) (State Gazette of the Republic of Indonesia Year 2008 Number 59, Supplementary State Gazette of the Republic of Indonesia Number 4844);

2. The Law Number 4 Year 2009 concerning Mineral and Coal Mining (State Gazette of the Republic of Indonesia Year 2009 Number 4, Supplementary State Gazette of the Republic of Indonesia Number 4959);
3. the Government Regulation Number 79 Year 2005 concerning the Guidelines for Development and Supervision of Regional Government Organization (State Gazette of the Republic of Indonesia Year 2005 Number 165, Supplementary State Gazette of the Republic of Indonesia Number 4593);
4. Government Regulation Number 38 Year 2007 (BN No. 7576 page 1B-6B) concerning Division of Governmental Affairs Among Government, Province Government and District/City Government (State Gazette of the Republic of Indonesia Year 2007 Number 82, Supplementary State Gazette of the Republic of Indonesia Number 4737);
5. Government Regulation Number 22 Year 2010

concerning Mining Territory (State Gazette of the Republic of Indonesia Year 2010 Number 4, Supplementary State Gazette of the Republic of Indonesia Number 5110);

6. The Government Regulation Number 23 Year 2010 concerning Implementation of Mineral and Coal Mining Business Activity (State Gazette of the Republic of Indonesia Year 2010 Number 29, Supplementary State Gazette of the Republic of Indonesia Number 5111), which has been amended with Government Regulation Number 24 Year 2012 (State Gazette of the Republic of Indonesia Year 2012 Number 45, Supplementary State Gazette of the Republic of Indonesia Number 5282);
7. the Government Regulation Number 55 Year 2010 on the Development and Supervision upon the Organization of Mineral and Coal Mining Business Management (State Gazette of the Republic of Indonesia Year 2010 Number 85, Supplementary State Gazette of the Republic of Indonesia Number 5142);
8. The Government Regulation Number 78 Year 2010 concerning Reclamation and Post-Mining (State Gazette of the Republic of Indonesia Year 2010 Number 85, Supplementary State Gazette of the Republic of Indonesia Number 5172);
9. The Presidential Decree Number 59/P Year 2011, 18 October 2011;
10. The Regulation of the Minister of Energy and Mineral Resources Number 18 Year 2010 concerning the Organization and Management of the

Ministry of Energy and Mineral Resources (State Gazette of the Republic of Indonesia Year 2010 Number 552);

#### DECIDED :

To stipulate:

THE REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES CONCERNING SUPERVISION UPON THE ORGANIZATION OF MINING BUSINESS MANAGEMENT IMPLEMENTED BY THE GOVERNMENT OF PROVINCE AND THE GOVERNMENT OF DISTRICT/CITY.

#### CHAPTER I

#### GENERAL PROVISIONS

#### Article 1

In this Minister Regulation, there are definitions as follows:

1. Mining is partly of or whole of activities stages for research, management, and exertion of mineral or coal concerning general research, exploitation, feasibility study, construction, mining, processing and purification, transportation and selling as well as post-mining activities.
2. Mining Business is activities in the framework of exertion of mineral or coal that includes activities stages of general research, exploration, feasibility study, construction, mining, processing and purification, transportation and selling as well as post-mining.

3. Mining Business Territory, hereinafter abbreviated as WUP, is a part of WP (Mining Territory) that already has availability of data, potential, and/or geological information.
4. Mining Business License Territory, hereinafter abbreviated as WIUP, is a territory given to the holder of Mining Business License.
5. People's Mining Territory, hereinafter abbreviated as WPR, is a part of WP where people's mining business activities are performed.
6. Mining Business License, hereinafter abbreviated as IUP, is a license to perform mining business.
7. People's Mining License, hereinafter abbreviated as IPR, is a license to perform mining business within people's mining territory with limited territory and investment.
8. Exploration IUP is a business license granted to perform activity stages of general research, exploration, and feasibility study.
9. Production Operation Mining Business License (Production Operation IUP) is a business license granted after the implementation of Exploration IUP to perform production operation activity stage.
10. Minister is the Minister who organizes governmental affairs in mineral and coal mining sector.
11. Director General is the Director General who performs duties and is responsible upon the formulation and implementation of technical policy and standardization in mineral and coal mining sector.

## CHAPTER II

## THE SCOPE OF SUPERVISION

## Article 2

- (1) The Minister performs supervision upon the organization of mining business management implemented by the government of province and the government of district/city in accordance to their respective authorities.
- (2) Supervision as meant in paragraph (1) includes:
  - a. decision on WPR;
  - b. decision and grant of non-metal mineral WIUP and rocks WIUP;
  - c. grant of metal mineral WIUP and coal WIUP;
  - d. issuance of IPR;
  - e. issuance of IUP; and
  - f. the organization of development and supervision of activities implemented by the holder of IPR and IUP.
- (3) The implementation of supervision as meant at paragraph (1) and paragraph (2) is performed by the Director General.
- (4) Director General, prior to performing supervision as meant at paragraph (3), may have coordination with the Ministry of Domestic Affairs and/or other relevant institutions.

## CHAPTER III

to be continued

(S)

**SUPERVISION UPON THE ORGANIZATION OF  
MINING BUSINESS MANAGEMENT PERFORMED BY  
THE GOVERNMENT OF PROVINCE AND  
THE GOVERNMENT OF DISTRICT/CITY  
(The Regulation of the Minister of Energy and Mineral  
Resources Number 01 Year 2013, 11 January 2013)  
[Continued from Business News No. 8493-8494  
page 46-48]**

CHAPTER III

THE IMPLEMENTATION OF SUPERVISION

First Part

Decision on WPR

Article 3

- (1) The Director General performs supervision upon the compliance towards the laws and regulations by regent/major in the framework of decision on WPR.
- (2) Supervision in the framework of decision on WPR by regent/major as meant at paragraph (1) includes at least:
- a. decision on WPR is performed after coordination with the government of province and consultation with regency/municipal Regional House of People's Representative;
  - b. prior to coordination with the government of province and consultation with regency/municipal Regional House of People's Representative, as meant at point a, it is obligatory to decide location of WPR:

1. included in Mining Allotment Territory as stated in the spatial planning of the district/city stipulated in Regional Regulation;
2. has obtained approval from the holder of rights over land in accordance to the law and regulation;
3. has used mapping coordinate system with National Geodetic Datum that has the same parameter as Ellipsoid World Geodetic System;
4. has fulfill criteria on the decision on WPR accordingly to the laws and regulations; and
5. there has been announcement regarding the plan for decision on WPR to the society in an open manner, at least at administrative office in the ward/village in WPR location in accordance to the laws and regulations.

## Second Part

Decision and Grant of Non-Metal Mineral WIUP and  
Rocks WIUP

## Article 4

(1) The Director General performs supervision upon the compliance towards the laws and regulations by regent/major in accordance to his/her authority in the framework of decision on and grant of non-metal mineral WIUP and rocks WIUP.

(2) Supervision in the framework of decision on and grant of non-metal mineral WIUP and rocks WIUP by regent/major as meant at paragraph (1) includes at least:

- a. the processing of non-metal mineral WIUP and rocks WIUP application submitted by business entity, cooperative, or individual can be done only in non-metal mineral WUP or rocks WUP stipulated by the Minister of governor in the framework of deconcentration in accordance to the laws and regulations;
- b. prior to processing the decision on non-metal mineral WIUP and rocks WIUP, it is obligatory to confirm the area map and coordinate as meant at point a:
  1. not overlapping with other IUP with similar mining commodities;
  2. not overlapping with area administrative border outside his/her authority;
  3. has used mapping coordinate system with National Geodetic Datum that has

the same parameter as Ellipsoid World Geodetic System;

4. has announce the plan for decision on non-metal mineral WIUP and rocks WIUP to society and there is no objection from the holder of rights over the land;
- c. processing of non-metal mineral WIUP and rocks WIUP application as meant at point a that overlap with metal mineral WIUP and/or coal WIUP can only be done after obtaining recommendation from the Director General and obtaining consideration from the holder of metal mineral IUP and/or coal IUP based on agreement on joint land utilization;
- d. the issuance of decision to approve or reject the reserve of non-metal mineral WIUP or rocks WIUP to business entity, cooperative, or individual within 10 (ten) business days since the acceptance of complete WIUP application by considering the provision as meant at point a, point b, and point c;
- e. the issuance of letter of instruction to pay the reserve fee of WIUP to state treasury addressed to business entity, cooperative, or individual that has been approved as meant at point d; and
- f. the grant of non-metal mineral WIUP or rocks WIUP to WIUP applicant as meant at point a after the applicant of WIUP provides the receipt of territory reserve fee to state treasury.

## Third Part

## The Grant of Metal Mineral WIUP and Coal WIUP

## Article 5

- (1) The Director General performs supervision upon the compliance towards the laws and regulations by government and regent/major in accordance to his/her authority in the framework of granting of metal mineral WIUP and coal WIUP.
- (2) Supervision in the framework of granting of metal mineral WIUP and coal WIUP by government and regent/major as meant at paragraph (1) includes at least:
- a. open announcement of metal mineral WIUP and coal WIUP stipulated by the Minister that will be auctioned to the business entities, co-operatives, and individuals within 3 (three) months prior to the organization of auction;
  - b. the formation of auction committee of metal mineral WIUP and coal WIUP;
  - c. the organization of auction of metal mineral WIUP and coal WIUP in accordance to auction procedures; and
  - d. the decision on auction winner of metal mineral WIUP and coal WIUP.

## Fourth Part

## The Issuance of IPR

## Article 6

- (1) The Director General performs supervision upon the compliance towards the laws and regulations by regent/major in the framework issuance of IPR.

(2) Supervision upon the issuance of IPR in the process of issuance of IPR by regent/major as meant at paragraph (1) includes at least:

- a. in the issuance of IPR on WPR, has arranged reclamation plan and post-mining plan for every stipulated WPR based on environmental documents in accordance to the laws and regulations;
- b. the grant of IPR, especially to local society, whether individual as well as society groups or cooperative consists of local citizens as members based on the application that has satisfied administrative, technical, and financial requirements in accordance to the laws and regulations.
- c. the issuance of the size of territory for 1 (one) IPR that can be granted to:
  1. individual, maximum 1 (one) hectare;
  2. group of society, maximum 5 (five) hectares; and/or
  3. cooperative, as much as 10 (ten) hectares.
- d. decision on the term of IPR maximum 5 (five) years and can be extended; and
- e. decision on reclamation plan and post-mining plan for the holder of IPR based on approved environmental documents.

## Fifth Part

## The Issuance of IUP

## Paragraph 1

The Issuance of Non-Metal Mineral IUP  
and Rocks IUP

Article 7

- (1) The Director General performs supervision upon the compliance towards the laws and regulations by government and regent/major in accordance to his/her authority in the framework of the issuance of non-metal mineral IUP and rocks IUP.
- (2) Supervision in the framework of issuance of non-metal mineral IUP and rocks IUP by government and regent/major as meant at paragraph (1) includes at least:
  - a. the processing of IUP application submitted by business entities, cooperatives, or individuals;
  - b. the issuance of Exploration IUP and Production Operation IUP of non-metal mineral and rocks to business entities, cooperatives, and individuals that have satisfied administrative, technical, financial, and environmental requirements in accordance to the laws and regulations;
  - c. attachment of decision on the issuance of IUP as meant at point b that includes attachments of map, coordinate, and area of WIUP based on decided WIUP;
  - d. the issuance of IUP for only 1 (one) type of non-metal mineral or rocks; and
  - e. the issuance format of IUP in accordance to the laws and regulations.

Paragraph 2

The Issuance of Metal Mineral IUP and Coal IUP

Article 8

- (1) The Director General performs supervision upon the compliance towards the laws and regulations by government and regent/major in accordance to his/her authority in the framework of issuance of metal mineral IUP and coal IUP.
- (2) Supervision in the framework of issuance of metal mineral IUP and coal IUP by government and regent/major as meant at paragraph (1) includes at least:
  - a. the processing of IUP application submitted by the winner of auction of metal mineral or coal WIUP;
  - b. the issuance of IUP to the auction winner of WIUP of metal mineral or coal, whose application has fulfilled administrative, technical, environmental, and financial requirements in accordance to the laws and regulations;
  - c. attachment of decision on the issuance of at point b that includes attachments of map, coordinate, and area of WIUP in accordance auction result of WIUP;
  - d. the issuance of IUP for only 1 (one) type of metal mineral or coal; and
  - e. the issuance format of IUP in accordance to the laws and regulations.

Sixth Part

The Organization of Development and Supervision

## Activities Performed by the Holder of IPR and IUP

## Article 9

- (1) The Director General performs supervision upon the compliance towards the laws and regulations by government and regent/major in accordance to his/her authority in the framework of organization of development and supervision of mineral and coal mining business activities performed by the holder of IPR and IUP.
- (2) Supervision as meant in paragraph (1) includes the compliance towards the laws and regulations by governor and regent/major according to their respective authorities to:
- a. appoint Mining Inspector function official; and
  - b. appoint Supervising Official, assigned to perform supervision upon mineral and coal mining business activities performed by the holder of IPR and IUP.
- (3) Supervision performed by Mining Inspector functional official as at paragraph (2) point, a at least includes:
- a. mining technical, among others:
    1. implementation of exploration technical;
    2. calculation of resources and reserve;
    3. planning and implementation of construction including examination upon mining equipments (commissioning);
    4. planning and implementation of mining;
    5. planning and implementation of processing and purification;
  - b. planning and implementation of transportation and sale.
  - b. conservation of mineral and coal resources, among others:
    1. recovery of mining and processing;
    2. management and/or utilization of marginal reserve;
    3. management and/or utilization of low quality coal and low degree mineral;
    4. management and/or utilization of mineral;
    5. data collection of resources as well as reserve of un-mined mineral and coal; and
    6. data collection and management of remainder of processing and purification result.
  - c. mining safety and health, among others :
    1. work safety;
    2. work health;
    3. work environment; and
    4. work safety and health management system.
  - d. mining operation safety, among others:
    1. system and implementation of maintenance/care of mining infrastructure, facilities, and equipments;
    2. installation security;
    3. fitness of mining infrastructure, facilities, and equipments;
    4. technical staff competency; and
    5. evaluation upon report of mining technical review result.

e. management of environment, reclamation, and post-mining, among others:

1. environmental management and supervision in accordance to environmental management documents or environmental licenses that have been obtained and approved;
2. arrangement, recovery, and improvement of land in accordance to its allotment;
3. decision on and disbursement of reclamation guarantee;
4. post-mining management;
5. decision on and disbursement of post-mining guarantee; and
6. fulfillment of environmental quality standards in accordance to the laws and regulations.

f. mastery, development, and application of mineral and coal mining technologies.

(4) Supervision performed by Supervising Official as at meant at paragraph (2) point b, at least includes:

a. marketing, among others:

1. realization of production and realization of sale, including quality and quantity as well as price of mineral and coal;
2. obligation to fulfill domestic coal and mineral needs;
3. plan and realization of mineral and coal sale contract;
4. sale cost spent;

5. planning and realization of non-tax state revenue; and

6. mineral and/or coal processing and purification cost.

b. Financial, among others:

1. budgeting;
2. realization of budget;
3. realization of investment; and
4. fulfillment of obligatory payment.

c. management of mineral and coal data among others includes supervision upon data and/or information revenues, administration, processing, arrangement, storage, maintenance, and elimination activities;

d. utilization of domestic engineering goods, services, technologies, and competence as well as design among others performed on the implementation of utilization of engineering goods, services, technologies, and competence as well as design;

e. development of mining technical staff, among others:

1. implementation of development program;
2. implementation of competence test; and
3. development cost plan.

f. development and empowerment of local society, among others:

1. Society development and empowerment program;
2. implementation of society development and empowerment; and

3. society development and empowerment cost.
- g. other activities in mining business activity sector related to public interests, among others:
1. public facilities built by the holder of IUP for society in the surrounding mining area; and
  2. financing the development or providing public facilities as meant at number 1.
- h. implementation of activities in accordance to IUP or IPR, among others:
1. size of territory;
  2. mining location;
  3. processing and purification location;
  4. activities stages period;
  5. land disputes settlement;
  6. disputes settlement; and
  7. mastery, development, and application of mineral and coal mining technologies.
- i. quantity, type, and quality of mining business result, among others:
1. types of mining commodities;
  2. production quantity and quality for every mining location;
  3. quantity and quality of cleaning and/or processing and purification; and
  4. run of mine, stockpile, and sale point.

#### CHAPTER IV

#### FOLLOW UP OF SUPERVISION RESULT

#### Article 10

- (1) The result of supervision performed by the Director General as meant in Article 2 is submitted to governor and regent/major in accordance to their respective authorities and its copies are forwarded to the Ministry of Domestic Affairs and/or related institution/s.
- (2) Governor or regent/major in accordance to their respective authorities are obliged to follow up supervision result as meant at paragraph (1).
- (3) Director General with the Ministry of Domestic Affairs and/or related institutions perform monitoring upon the implementation of the follow up of supervision result as meant at paragraph (2) in accordance to the laws and regulations.

#### CHAPTER V

#### TRANSITIONAL PROVISIONS

#### Article 11

At the time this Minister Regulation starts to take effect:

- a. Supervision that has been performed by the Director General through evaluation and reconciliation of IUP and IPR nationally towards the issuance of licensing in the form of:
  1. Mining Rights, Regional Mining License, and People's Mining License issued prior to the application of Law Number 4 Year 2009 by governor and/or regent/major in accordance to their respective authorities including the adjustment process to be IUP and IPR;

2. IUP issued by governor and/or regent/major in accordance to their respective authorities based on the Mining Rights application that has been received by governor or regent/major and has been allocated territory reservation prior to the issuance of Law Number 4 Year 2009, shall remain valid.
- b. The result of supervision performed by Director General as meant at point a in the form of announcement of Clear and Clean status and issuance of Clear and Clean certificate shall remain valid.
- c. Upon IUP and IPR that are still in the process of evaluation and verification as meant at point a to obtain Clear and Clean status and Clear and Clean certificate, they are processed based on administrative, technical, environmental, and financial requirements and in accordance to standard operational procedure of Clear and Clean.

## CHAPTER VI

### FINAL PROVISIONS

#### Article 12

This Ministerial Regulation starts to take ef-

fect since the promulgation date.

For everybody to acknowledge it, ordering the promulgation of this Regulation by its placement in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

on 11 January 2013

THE MINISTER OF ENERGY AND  
MINERAL RESOURCES  
THE REPUBLIC OF INDONESIA,

Signed

JEROWACIK

Promulgated in Jakarta

on 11 January 2013

THE MINISTER OF LAW AND HUMAN RIGHTS  
THE REPUBLIC OF INDONESIA,

Signed

AMIR SYAMSUDIN

THE STATE GAZETTE OF THE REPUBLIC OF  
INDONESIA

YEAR 2013 NUMBER 78

( S )