

(c) Law N° 5 of 1983 on the Indonesian Exclusive Economic Zone

PART I - GENERAL REGULATIONS

Article 1. - What is meant in this Law by:

- (a) Natural living resources are all kinds of animals including also those that are found on the seabed and in the waters within the Indonesian Exclusive Economic Zone;
- (b) Natural non living resources are all the elements different from the living resources that are found on the seabed, in its subsoil as well as in the waters within the Indonesian Exclusive Economic Zone;
- (c) The scientific surveys are all the activities connected with research on all the aspects of sea surface, sea waters, seabed and its subsoil within the Indonesian Exclusive Economic Zone;
- (d) The conservation of the natural resources consists in all the efforts aiming at the protection and conservation of the natural resources in the Indonesian Exclusive Economic Zone;
- (e) The protection and preservation of the marine environment consist in all the efforts aiming at taking care of and safeguarding the wholeness of the maritime ecosystem in the Indonesian Exclusive Economic Zone.

PART II - THE INDONESIAN EXCLUSIVE ECONOMIC ZONE

Article 2. - The Indonesian Exclusive Economic Zone consists of the sealines external to and bordering on the Indonesian territorial waters within an outermost borderline as far as 200 sea miles from the baseline, as it is stipulated in the laws on the Indonesian waters, which include seabed, its subsoil and all the sea waters of Indonesia.

Article 3. - (1) In the event that the Indonesian Exclusive Economic Zone overlaps the exclusive economic zones of other coastal or facing states, the boundaries of the Indonesian Exclusive Economic Zone shall be fixed by means of international treaties between the Republic of Indonesia and the concerned foreign States.

(2) As long as the international treaties, mentioned in paragraph (1) herein, are not yet signed, and there are no particular situations requiring consideration, the boundaries between the Indonesian Exclusive Economic Zone and those of the coastal or facing foreign states shall be the mean line or a line equally far from the baseline of Indonesia or the farthest points off Indonesia and the baselines of the territorial sea or the farthest points off the foreign States, unless a provisional agreement connected with the boundaries of the Indonesian Exclusive Economic Zone has been established.

INDO 9

PART III - SOVEREIGN RIGHTS, OTHER RIGHTS, JURISDICTION AND RESPONSIBILITIES

Article 4. - (1) In the Indonesian Exclusive Economic Zone, the Republic of Indonesia owns and carries out:

- (a) The sovereignty rights to perform exploration and exploitation, to manage and protect the natural living and non living resources on the seabed, in its subsoil as well as in the waters, and to conduct all other activities connected with the exploration and the economic exploitation in the aforesaid zone, including the exploitation of energy from water, its currents and from the wind.
- (b) Jurisdiction on:
 - (i) Building and utilizing artificial islets, installations and other structures;
 - (ii) Conducting scientific research on the sea;
 - (iii) All other rights and responsibilities in accordance with the treaties connected with the International Law of the Sea.

(2) With regard to the seabed and its subsoil, the sovereign rights, the other rights, jurisdiction and the responsibilities of Indonesia, as stipulated in section (1) herein, are exercised in accordance with the laws concerning the Indonesian Continental Shelf, with the agreements between Indonesia and the neighbouring countries, and with the International Law.

(3) In the Indonesian Exclusive Economic Zone, the freedom of navigation and overflight, laying submarine cables and pipelines is recognized according to the principles of the International Law of the Sea.

PART IV - THE ACTIVITIES IN THE INDONESIAN EXCLUSIVE ECONOMIC ZONE

Article 5. - (1) Without failing to recognize the provision in Article 4, section (2), anybody who conducts exploration and/or exploitation of the natural resources or other activities, such as drawing energy out of the waters, currents and wind, in the Indonesian Exclusive Economic Zone, is obliged to act in accordance with a permit or an international agreement with the Indonesian Government, and conform to the clauses of the permit or to the provisions of the international agreement.

(2) Without disregarding the provisions of section (1) herein, the exploration and/or exploitation concerning the natural living resources shall be conducted in accordance with the provisions on their administration and reservation enforced by the Government of the Republic of Indonesia.

INDO 10

(3) Without disregarding Article 4, section (2), the Government of the Republic of Indonesia shall licence foreigners, foreign entities or a foreign Government to explore and exploit a natural living resource in a definite area within the Indonesian Exclusive Economic Zone, provided that the number of catches allowed by the Indonesian Government for that type of catch exceeds the Indonesian capacity of utilization.

Article 6. - Anybody who builds and/or utilizes artificial islets or installations or other structures in the Indonesian Exclusive Economic Zone is obliged to act in accordance with a permit issued by the Government of the Republic of Indonesia, and to abide by the conditions established in the aforesaid permit.

Article 7. - Anybody who conducts scientific research in the Indonesian Exclusive Economic Zone is obliged to obtain a previous approval and to abide by the conditions stated by the Government of the Republic of Indonesia.

Article 8. - (1) Anybody who conducts activities in the Indonesian Exclusive Economic Zone is obliged to take the necessary steps to prevent, limit, bridle and suppress the damages of pollution in the marine environment.

(2) The disposal of waste in the Indonesian Exclusive Economic Zone can be carried out only if a permit is granted by the Government of Indonesia.

PART V - INDEMNITIES

Article 9. - Anybody who conducts actions contrary to the provisions of the Regulations of the Republic of Indonesia or to the international law of the sea, causing damages to artificial islets, installations and other structures in the Indonesian Exclusive Economic Zone, shall be liable for the payment of an indemnity to the owner of the aforesaid artificial islets, installations and other structures.

Article 10. - Without disregarding the provisions in Article 7, anybody who conducts scientific research in the Indonesian Exclusive Economic Zone, contrary to the provisions of the Regulations of the Republic of Indonesia and to the international law, causing damages shall be liable for the payment of an indemnity to the Republic of Indonesia.

Article 11. - (1) Without disregarding the provision in Article 8, and bearing in mind the maximum limits of a definite indemnity, anybody who causes the pollution of the marine environment and/or the spoiling of the natural resources shall be absolutely liable to pay quickly an appropriate indemnity for the rehabilitation of the marine environment and/or of the natural resources.

(2) The absolute responsibility stated in section (1) is excepted if the concerned party is able to prove that the pollution of the marine environment or the damage to the natural resources resulted from:

- (a) A natural event that cannot be controlled by it;

INDO 11

(b) Damages partially or wholly caused by an action or negligence caused by third persons.

(3) The form, kind and amount of the indemnity due because of the pollution of the marine environment and/or the spoiling of the natural resources shall be based on the results of ecological research.

Article 12. - The definition of the maximum limits of the indemnity, as stated in Article 11 herein, shall be regulated in accordance with the laws, as stated in Article 20 herein.

PART VI - THE ENFORCEMENT OF LAW

Article 13. - As regards the application of the sovereign rights, other rights, jurisdiction and the responsibilities, stated in Article 4, section (1), the officers of the Republic of Indonesia who are responsible for the enforcement of law are entitled to take the necessary measures in order to impose the observance of law, in accordance with the provisions of Law N° 8 of 1981 on the Criminal Procedure Code, except that:

- (a) The capture of vessels and/or persons suspected of transgressions in the Indonesian Exclusive Economic Zone includes the measures of detaining a vessel and giving in charge the vessel and/or the persons to the authority of the nearest port where they can be prosecuted as soon as possible;
- (b) The aforesaid vessel and/or persons shall be placed in charge of authority as soon as possible within no more than 7 (seven) days, except the cases of force majeure;
- (c) In the interest of the detainees the penal measures as regulated in Articles 16 and 17 herein fall within the cases of penal measures stated in Article 21, section (4) (b) of Law N° 8 of 1981 on the Code of Criminal Procedure.

Article 14. - (1) The officers qualified to enforce the law and to conduct inquiries in the Indonesian Exclusive Economic Zone are the officers of the Indonesian Navy designated by the Commander-in-Chief of the Indonesian Armed Forces.

(2) The prosecutor is the Attorney at the Court, as designated in section 3.

(3) The Court qualified to try for the violations to this Law is the Court qualified for the area of the port where the vessel and/or the persons have been detained in accordance with Article 13(a).

Article 15. - (1) A request to bail on behalf of the vessel and/or the persons which are detained as suspected of a violation to this Law or to other provisions of regulations enforced on the basis of this Law, can be submitted in every moment before the Court delivers the sentence.

(2) The request to bail, as stated in section (1), shall be accepted if the party has paid the proper sum as fixed by the Court.

PART VII - PENAL PROVISIONS

Article 16. - (1) Anybody who conducts actions violating the provisions in Articles 5(1), 6 and 7 is liable to be sentenced to the payment of a maximum fine of 225,000,000 (two hundred twentyfive million) rupiah.

(2) the judge is authorized to order in the sentence the confiscation of the catch resulting from the violation, of the vessel and/or of other means used in the criminal action stated in section (1).

(3) Anybody who intentionally commits actions that cause the spoiling and/or pollution of the natural living environment in the Indonesian Exclusive Economic Zone is liable to be tried according to the Regulations on the preservation of the natural living environment.

Article 17. - Anybody who damages or destroys the objects used in committing a crime, which should be produced as evidence for the prosecution, as meant in Article 16, section (1), with the purpose of eluding the confiscation of the aforesaid objects during the inquire, is liable to be sentenced to the payment of a fine of no more thn 75,000,000 (seventy-five million) rupiah.

Article 18. - The crimes are those mentioned in Articles 16 and 17.

PART VIII

Article 19. - All the provisions concerning the exploration and exploitation of the natural living resources, issued before the enforcement of this Law are still in force until they are modified by new regultions issued on the basis of this Law.

PART IX

Article 20. - (1) The application of the provisions of this Law shall be regulated in a more detailed way by the provisions of other laws.

(2) A Government Decree that shall regulate the application of the provisions of this Law can add a penal fine of no more than 75,000,000 (seventyfive million) rupiah for the violations of the aforesaid provisions.

Article 21. - This law shall be in force since its date.