



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

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

NUMBER: 07 OF 2012

ON

IMPROVEMENT OF ADDED VALUE OF MINERALS THROUGH MINERAL
PROCESSING AND PURIFICATION ACTIVITIES

WITH THE BLESSING OF GOD THE ALMIGHTY

THE MINISTER OF ENERGY AND MINERAL RESOURCES,

Considering : that in order to implement the provisions of
Article 96 and Article 111 of Government
Regulation Number 23 of 2010 on the
Implementation of Coal and Mineral Mining
Business Activities, it is necessary to
stipulate a Regulation of the Minister of
Energy and Mineral Resources on Improvement of
Value Added of Minerals Through Processing and
Purification Activities;

In view of : 1. Law Number 4 of 2009 on Coal and Mineral
Mining (State Gazette of the Republic of

Indonesia Number 4 of 2009, Supplement to State Gazette of the Republic of Indonesia Number 4959);

2. Government Regulation Number 23 of 2010 on the Implementation of Coal and Mineral Mining Business Activities (State Gazette of the Republic of Indonesia Number 29 of 2010, Supplement to State Gazette of the Republic of Indonesia Number 5111);

3. Government Regulation Number 55 of 2010 on Coal and Mineral Mining Business Management Operation Supervision and Development (State Gazette of the Republic of Indonesia Number 55 of 2010, Supplement to State Gazette of the Republic of Indonesia Number 5142);

4. Presidential Decree Number 59/P of 2011 dated October 18, 2011;

5. Regulation of the Minister of Energy and Mineral Resources Number 34 of 2009 on Prioritizing the Supply of Minerals and Coal for Domestic Usage (State Gazette of the Republic of Indonesia Number 546 of 2009);

6. Regulation of the Minister of Energy and Mineral Resources Number 18 of 2010 on the

Organization and Work Procedure of the
Ministry of Energy and Mineral Resources
(State Gazette of the Republic of Indonesia
Number 552 of 2010;

HAS DECIDED:

To stipulate : REGULATION OF THE MINISTER OF ENERGY AND
MINERAL RESOURCES ON IMPROVEMENT OF ADDED VALUE
OF MINERALS THROUGH MINERAL PROCESSING AND
PURIFICATION ACTIVITIES.

CHAPTER I

GENERAL PROVISIONS

Article 1

In this Ministerial Regulation, the meaning of:

1. Mineral shall be an anorganic compound formed in nature, having certain chemical and physical properties and orderly crystal structures or a combination thereof forming rocks, whether in a loose or integrated form.
2. Metallic mineral shall be minerals that contain the main elements of metal, has a metallic luster, and generally act as a good conductor of heat and electricity.
3. Non metallic mineral shall be a mineral whose main element consists of nonmetals, such as bentonite

(bentonite), calcite (limestone), silica (quartz sand), etc.

4. Rock shall be a solid mass consisting of one or more types of minerals that form the earth's crust, whether in a massive or loose form.
5. Concentrate shall be a concentration product that is rich in valuable minerals as a result of the separation of mineral ore processing.
6. Ore shall be a collection of minerals that contain 1 (one) or more metal(s) which can be processed profitably.
7. Side product shall be mining products other than the main mining product which is a byproduct of processing and refining processes that has economic value.
8. Slag shall be the waste material from the process of smelting or refining of metals floating on the surface of the molten metal formed from a mixture of supplements, ore/metal impurities, fuel ash, and furnace coating materials.
9. IUP for Exploration shall be the business license granted to conduct general survey, exploration and feasibility study activity phases.
10. IUP for Production Operation shall be the business license granted after the implementation of the IUP for

Exploration to conduct production operation activity phases.

11. Small-Scale Mining Permit, hereinafter referred to as the IPR, shall be the permit to conduct mining operations in the small-scale mining area with limited investments and areas.
12. IUPK for Exploration shall be the business license granted to implement general survey, exploration, and feasibility study activity phases in the special mining permit area.
13. IUPK for Production Operation shall be the business license granted after the implementation of the IUPK for Exploration to implement production operation activity phases in the special mining permit area.
14. Processing and refining shall be the mining activities to improve the quality of minerals and to utilize and obtain associated minerals.
15. Added value shall be the added value of minerals as a result of a process performed on the mineral.
16. Increase in value added shall be the increase in the value of minerals to produce economic, social and cultural benefits.

17. Research and development institution shall be institutions that conduct research and development in the mineral sector.
18. Minister shall be the minister organizing government affairs in the mineral mining sector.
19. Director General shall be the Director General whose duties and responsibilities are in the mineral mining sector.

CHAPTER II

PROCEDURES FOR INCREASING THE ADDED VALUE OF MINERALS

Article 2

- (1) Mineral mining commodity classes whose value added may be increased shall consist of:
 - a. metallic minerals;
 - b. nonmetallic minerals; or
 - c. rocks.
- (2) The increase of the added value of mining commodities as referred to in paragraph (1) shall be made through the following activities:
 - a. processing and/or purification for metallic mineral mining commodities;
 - b. processing for nonmetallic mineral mining commodities; and

- c. processing for rock mining commodities.

Article 3

(1) The increase of added value in the mining commodities as referred to in Article 2 may be in the form of:

- a. processing and/or purification for certain types of metal mineral mining commodities;
- b. processing for certain types of non-metal mineral mining commodities; and
- c. processing for certain types of rock mining commodities.

(2) The processing and/or purification for each certain type of mineral mining commodities as referred to in paragraph (1) shall be carried out based on considerations as follows:

- a. to have ore resources and reserves in substantial amount;
- b. to help increase domestic production capacity of metal;
- c. the processing and/or purification technology has been in a tested stage;
- d. the end products of the processing and/or purification as industrial raw materials for domestic need;

- e. side end-products resulting from processing and/or purification for chemicals of domestic industrial raw materials and fertilizers;
 - f. as strategic domestic mineral-based industrial raw materials;
 - g. to give dual effects for the economy and the state; and/or
 - h. to increase the state's revenue.
- (3) The considerations to carry out the processing and/or purification for each certain type of mineral mining commodities as referred to in paragraph (2) shall be as the basis to determine minimum limits for processing and/or purification of certain mineral mining commodities.
- (4) The certain types of metal mineral mining commodities as referred to in paragraph (1) point a shall be among others:
- a. copper;
 - b. gold;
 - c. silver;
 - d. tin;
 - e. lead and zinc;
 - f. chromium;
 - g. molybdenum;

- h. metal group platinum;
- i. bauxite;
- j. iron ores;
- k. iron sands;
- l. nickel and/or cobalt;
- m. manganese; and
- n. antimony.

(5) Certain types of non-metal mineral mining commodities as referred to in paragraph (1) point b shall be among others:

- a. calcite (limestone);
- b. feldspar;
- c. kaolin;
- d. bentonite;
- e. zeolite;
- f. silica (quartz sand);
- g. zircon; and
- h. diamond.

(6) The certain rock mining commodity types as referred to in paragraph (1) point c shall be among others:

- a. toseki;

- b. marble;
- c. onyx;
- d. perlite;
- e. slate;
- f. granite;
- g. granodiorite;
- h. gabbro;
- i. peridotite;
- j. basalt;
- k. opal;
- l. chalcedony;
- m. chert;
- n. jasper;
- o. chrysoprase;
- p. garnet;
- q. jade;
- r. agate; and
- s. topaz.

Article 4

- (1) Each type of certain metal mineral mining commodities as referred to in Article 3 paragraph (4) must be processed

and/or purified in accordance with minimum limits of processing and/or purification as set out in Attachment I which forms an integral part of this Ministerial Regulation.

- (2) Each type of certain non-metal mineral mining commodities as referred to in Article 3 paragraph (5) must be processed in accordance with minimum limits of processing as set out in Attachment II which forms an integral part of this Ministerial Regulation.
- (3) Each type of certain rock mining commodities as referred to in Article 3 paragraph (6) must be processed in accordance with minimum limits of processing as set out in Attachment III which forms an integral part of this Ministerial Regulation.

Article 5

- (1) Side products or residues resulting from the processing and/or purification of copper metal mineral mining commodities in the form of anodic mud and telluride copper must be processed and/or purified within the country in accordance with minimum limits of processing and/or purification of metal mineral mining commodities as set out in Attachment I which forms an integral part of this Ministerial Regulation.

- (2) Side products or residues resulting from the processing and/or purification of tin metal mineral mining commodities in the form of zircon, ilmenite, rutile, monazite, xenotim and slag must be processed and/or purified within the country in accordance with minimum limits of processing and/or purification of metal mineral mining commodities as set out in Attachment I which forms an integral part of this Ministerial Regulation.
- (3) Side products or residues resulting from the processing and/or purification of lead and zinc metal mineral mining commodities in the form of gold and silver must be processed and/or purified within the country in accordance with minimum limits of processing and/or purification of metal mineral mining commodities as set out in Attachment which forms an integral part of this Ministerial Regulation.
- (4) Side products or residues resulting from the processing and/or purification of iron sand metal mineral mining commodities in the form of slag must be processed and/or purified within the country in accordance with minimum limits of processing and/or purification of metal mineral mining commodities as set out in Attachment which forms an integral part of this Ministerial Regulation.
- (5) Side products or residues resulting from the processing and/or purification of non-metal mining commodities that

still contain elements or metal minerals with economic value must be processed and/or purified within the country in accordance with minimum limits of processing and/or purification of metal mineral mining commodities as set out in Attachment which forms an integral part of this Ministerial Regulation.

Article 6

Metal mineral mining commodities including side products/residues/associated minerals, non-metal minerals, and certain rocks that are sold abroad must comply with minimum limits of processing and/or purification for certain mineral mining commodities as referred to in Article 4 and Article 5.

SECTION III

EXECUTION IN THE INCREASE OF ADDED VALUE

Article 7

- (1) A holder of metal mineral Production Operation Mining Permit ("IUP Operasi Produksi") and metal mineral Special Production Operation Mining Permit ("IUPK Operasi Produksi") must process and/or purify mining products within the country for certain metal mineral mining commodities as referred to in Article 3.
- (2) A holder of non-metal mineral Production Operation Mining Permit must process mining products within the country

for certain non-metal and rock mineral mining commodities as referred to in Article 3.

- (3) The processing and/or purification of mining products that are produced by a holder of Production Operation Mining Permit and Special Production Operation Mining Permit as referred to in paragraph (1) and paragraph (2) may be carried out directly or through cooperation with another holder of Production Operation Mining Permit, and/or of Special Production Operation Mining Permit for processing and/or purification.

Article 8

- (1) In case the holder of the Production Operation Mining Permit and Special Production Operation Mining Permit as referred to in Article 7 is not economical to carry out the mineral processing and/or purification by itself, it may cooperate to carry out the processing and/or purification with another party that has a:
- a. Production Operation Mining Permit;
 - b. Special Production Operation Mining Permit; or
 - c. Production Operation Mining Permit special for processing and/or purification.
- (2) The cooperation to carry out the processing and/or purification as referred to in paragraph (1) may be in the form of a:

- a. sale and purchase of ores and concentrates;
 - b. activity to carry out processing and/or purification;
or
 - c. joint development of processing and/or purification means and infrastructure.
- (3) The plan of cooperation to carry out the processing and/or purification as referred to in paragraph (2) may only be implemented upon approval of the Director General on behalf of the Minister.
- (4) The Production Operation Mining Permit special for processing and/or purification as referred to in paragraph (1) point c shall be granted by the Director General on behalf of the Minister, governor, or regent/mayor in accordance with the provisions of laws and regulations.

Article 9

- (1) The holder of the Production Operation Mining Permit and Special Production Operation Mining Permit as referred to in Article 7 may be in partnership with another business entity to develop processing and/or purification facilities.
- (2) The partnership as referred to in paragraph (1) may be in the form of shareholding.

- (3) The partnership as referred to in paragraph (1) may only be entered into upon approval of the Director General on behalf of the Minister.

Article 10

- (1) In case a holder of Exploration Mining Permit and Special Exploration Mining Permit based on the results of a feasibility study is not economical to carry out processing and/or purification or cannot enter into the cooperation or partnership as referred to in Article 8 and Article 9, it must consult with the Director General to implement this Ministerial Regulation.
- (2) Based on the results of consultation as referred to in paragraph (1), the Director General may among others appoint another holder of Production Operation Mining Permit, another Special Production Operation Mining Permit, and/or Production Operation Mining Permit special for processing and/or purification to carry out the processing and/or purification of its mining commodities as long as it meets the specifications in accordance with the capacity of the processing and/or purification facilities.

Article 11

The Director General may facilitate holders of Production Operation Mining Permit, Special Production Operation Mining

Permit, and/or Production Operation Mining Permit special for processing and/or purification to accommodate mining commodities from holders of Production Operation Mining Permit, Special Production Operation Mining Permit, and uneconomical People's Mining Permit to carry out processing and/or purification by themselves as long as they meet the specifications in accordance with the capacity of the processing and/or purification facilities.

SECTION IV

OBLIGATIONS OF HOLDERS OF PRODUCTION OPERATION MINING PERMIT, SPECIAL PRODUCTION OPERATION MINING PERMIT, AND PRODUCTION OPERATION MINING PERMIT SPECIAL FOR PROCESSING AND PURIFICATION

Article 12

- (1) A holder of Production Operation Mining Permit and Special Production Operation Mining Permit and Production Operation Mining Permit special for processing and/or purification that carries out processing and/or purification of ores, concentrates, or intermediate products in accordance with the minimum limits of processing and/or purification of another holder of a:
- a. Production Operation Mining Permit;
 - b. Special Production Operation Mining Permit;
 - c. People's Mining Permit;

d. temporary permit to carry out transporting and selling;

e. Production Operation Mining Permit for selling; and/or

f. Production Operation Mining Permit special for transporting and selling,

based on the cooperation as referred to in Article 8 shall not be subject to production fee on processed and/or purified mineral except that utilized associated minerals shall be paid by mineral buyers.

- (2) In case a holder of Production Operation Mining Permit special for processing and/or purification carries out processing and/or purification of ores, concentrates, or intermediate products in accordance with minimum limits of processing and/or purification based on the cooperation as referred to in Article 8 with another holder of Production Operation Mining Permit special for processing and/or purification whose products have not met the minimum limits of processing and/or purification in accordance with the provisions of laws and regulations, the production fee on utilized associated minerals shall be paid by mineral buyers.

Article 13

(1) A holder of copper Production Operation Mining Permit, copper Special Production Operation Mining Permit, and Production Operation Mining Permit special for transporting and selling that sells copper mining commodity, including side products or residues resulting from processing and/or purification in the form of anodic mud and telluride copper abroad shall be obligated to meet the minimum limits of processing and/or purification of metal mineral mining commodities as set out in Attachment I that forms an integral part of this Ministerial Regulation.

(2) A holder of lead and zinc Production Operation Mining Permit, lead and zinc Special Production Operation Mining Permit, and Production Operation Mining Permit special for processing and/or purification of lead and zinc as well as Production Operation Mining Permit special for transporting and selling that sells lead and zinc mining commodities, including side products or residues resulting from processing and/or purification in the form of gold and silver abroad shall be obligated to meet the minimum limits of processing and/or purification of metal mineral mining commodities as set out in Attachment I that forms an integral part of this Ministerial Regulation.

- (3) A holder of iron sand Production Operation Mining Permit, iron sand Special Production Operation Mining Permit, and Production Operation Mining Permit special for processing and/or purification of iron sand as well as Production Operation Mining Permit special for transporting and selling that sells iron sand mining commodity, including side products or residues resulting from processing and/or purification in the form of slag abroad shall be obligated to meet the minimum limits of processing and/or purification of metal mineral mining commodities as set out in Attachment I that forms an integral part of this Ministerial Regulation.
- (4) Holders of Mining Business License (IUP) for Production Operation of coppers, Special Mining Business License (IUPK) for Production Operation of coppers, and IUP for Production Operation specifically for copper processing and/or refining process who have by-products or wastes from processing and/or refining process in the form of anodic slurry and telluric copper that have not met the minimum processing and/or refining standards as referred to in paragraph (1) must exercise appropriate handling thereof as required by laws and regulations.
- (5) Holders of Mining Business License (IUP) for Production Operation of iron-bearing sand, Special Mining Business License (IUPK) for Production Operation of iron-bearing

sand, and IUP for Production Operation specifically for iron-bearing sand processing and/or refining process who have by-products or wastes from processing and/or refining process in the form of slag that have not met the minimum processing and/or refining standards as referred to in paragraph (3) must exercise appropriate handling thereof as required by laws and regulations.

Article 14

- (1) Any holder of IUP for Production Operation of tins, IUPK for Production Operation of tins, and IUP for Production Operation specifically for tin processing and/or refining process who conducts tin metal processing and/or refining process is required to separate and process the derivatives, such as zircon, ilmenite, rutile, monasite, and xenotime, and to process the slag with minimum limit of production from the metal processing and/or refining process as set out in Attachment I which form an integrated part of this Ministerial Regulation.
- (2) Any holder of IUP for Production Operation of tins, IUPK for Production Operation of tins, and IUP for Production Operation specifically for tin processing and/or refining process and IUP for Production Operation specifically for transportation and sale who sells tin mine commodity, including the by-products or wastes from processing and/or refining process and the derivatives, such as

zircon, ilmenite, rutile, monasite, xenotime, and slag overseas, is required to meet the minimum limit of metal mine commodity processing and/or refining process as referred to in paragraph (1).

- (3) Holders of Mining Business License (IUP) for Production Operation of tins, Special Mining Business License (IUPK) for Production Operation of tins, and IUP for Production Operation specifically for tin processing and/or refining process who have by-products from mineral derivatives such as zircon, ilmenite, rutile, monasite, xenotime, and slag that have not met the minimum processing and/or refining standards as referred to in paragraph (1) must exercise the appropriate handling thereof as required by laws and regulations.

CHAPTER V

COOPERATION IN PROCESSING AND/OR REFINING RESEARCH

AND DEVELOPMENT

Article 15

- (1) Any holder of IUP for Production Operation, IUPK for Production Operation, and IUP for Production Operation specifically for processing and/or refining process may, by prioritizing the interests of the nation in conducting researches and development in the processing and/or refining of metal commodities, establish cooperation with:

- a. research and development agencies at the Ministry which administers the mineral mining affair of the government;
 - b. any qualified independent research and development agencies; and/or
 - c. state and/or private universities.
- (2) The activities involved in the processing and/or refining research and development referred to in paragraph (1) include:
- a. solving problems and maintaining efficiency in the process;
 - b. validating new and unproven technologies;
 - c. keeping abreast of technologies, transferring technologies, and pursuing innovation in technology and/or
 - d. techno-economic feasibility.
- (3) Results of the research and development referred to in paragraph (1) may be used as basis for the Minister to review the minimum limit of any mineral processing and/or refining process as referred to in Articles 4 and 5.

CHAPTER VI

ADMINISTRATIVE SANCTIONS

Article 16

- (1) Any holder of IUP for Production Operation or IUPK for Production Operation violating any of the provisions of Article 4 paragraphs (1), (2) or (3), Article 5 paragraphs (1), (2), (3), (4) or (5), Article 6, Article 7 paragraphs (1) or (2), Article 12 paragraphs (1) or (2), Article 13 paragraphs (1), (2), (3), (4), or (5), or Article 14 paragraphs (1), (2), or (3) is subject to administrative sanctions.
- (2) Any holder of IUP for Production Operation specifically for processing and/or refining process violating any of the provisions of Article 4 paragraphs (1), (2) or (3), Article 5 paragraphs (1), (2), (3), (4) or (5), Article 12 paragraphs (1) or (2), Article 13 paragraphs (1), (2), (3), (4) or (5), or Article 14 paragraphs (1), (2) or (3) is subject to administrative sanctions.
- (3) Any holder of IUP for Production Operation specifically for transportation and sale violating any of the provisions of Article 6, Article 13 paragraphs (1), (2), or (3), or Article 14 paragraph (2) is subject to administrative sanctions.
- (4) The administrative sanctions referred to in paragraphs (1), (2) and (3) include:
 - a. a written warning;

b. suspension of the processing and/or refining activities or the transportation and sale activities' and/or

c. revocation of the IUP for Production Operation, IUPK for Production Operation, IUP for Production Operation specifically for processing and/or refining process, or IUP for Production Operation specifically for transportation and sale.

(5) The administrative sanctions referred to in paragraph (4) are to be issued by the Minister, governor, or regent/mayor according to the authority they have.

Article 17

Such administrative sanction in the form of a written warning as referred to in Article 16 paragraph (1) letter a is to be issued no more than 2 (two) times, at an interval of no longer than 1 (one) month.

Article 18

(1) If by the end of a written warning period, the holder of IUP for Production Operation, IUPK for Production Operation, IUP for Production Operation specifically for processing and/or refining process, or IUP for Production Operation specifically for transportation and sale who was issued with a written warning has not performed his/her obligation, he/she is subject to suspension of

his/her activities as referred to in Article 16 paragraph (4) letter b.

- (2) The Suspension imposed under paragraph (1) shall be for no longer than 2 (two) months.

Article 9

Revocation of IUP for Production Operation, IUPK for Production Operation, IUP for Production Operation specifically for processing and/or refining process, or IUP for Production Operation specifically for transportation and sale as an administrative sanction as referred to in Article 16 paragraph (4) letter c is to be imposed on the holders who by the end of the period of the suspension issued under Article 18 paragraph (2) has failed to perform their obligations.

CHAPTER VII

MISCELLANEOUS

Article 20

- (1) Any holder of a temporary license for transportation and sale who proposes to sell minerals mined at exploration or feasibility study stage is required to sell them within the country.
- (2) Any holder of IUP for Production Operation for sale that is not in mining business who proposes to sell mined minerals is required to sell them within the country.

CHAPTER IX

TRANSITIONAL PROVISIONS

Article 21

Upon the coming into force hereof, Holders of Production Operations and IPR issued prior to the coming into force hereof may not sell any raw materials or ores to foreign countries within no later than 3 (three) months of the coming into force of this Ministerial Regulation.

Article 22

- (1) Any holder of IUP for Exploration and Contract of Work at exploration and/or feasibility study stage who is preparing and/or has prepared his/her feasibility study prior to the coming into force hereof must make the necessary adjustments in his/her plan in order to conform to the minimum limit of processing and/or refining process for certain mineral mine commodities as referred to in Attachment I, Attachment II, and Attachment III which form an integrated part of this Ministerial Regulation within a period of no longer than 3 (three) years from the coming into force hereof.
- (2) Any holder of IUP for Exploration and Contract of Work at exploration and/or feasibility study stage must submit a periodic report on the progress he/she has made in his/her adjustment of the plan to the minimum limit of

processing and/or refining process for certain mineral mine commodities in the feasibility study as referred to in paragraph (1) to the Director General, governor, or regent/mayor for evaluation according to their respective authority.

- (3) In the event that a holder of IUP for Exploration and Contract of Work at exploration and/or feasibility study state as referred to in paragraph (1) fails to make adjustments to the minimum limit of processing and/or refining process for certain mineral mine commodities as provided in this Ministerial Regulation or to execute a plan for processing and/or refining cooperation with other parties as required by the laws and regulations, he/she must consult with the Director General for the processing and/or refining process.

Article 23

- (1) Any holder of IUP for Production Operation and Contract of Work who has completed his/her construction stage prior to the coming into force hereof must make the necessary adjustments in his/her plan in order to conform to the minimum limit of processing and/or refining process for certain mineral mine commodities as referred to in Attachment I, Attachment II, and Attachment III which form an integrated part of this Ministerial

Regulation within a period of no longer than 4 (four) years from the coming into force hereof.

- (2) Any holder of IUP for Production Operation and Contract of Work at construction stage as referred to in paragraph (1) must submit a periodic report on the progress he/she has made in his/her adjustment of the plan to the minimum limit of processing and/or refining process for certain mineral mine commodities to the Director General, governor, or regent/mayor for evaluation according to their respective authority.
- (3) In the event that a holder of IUP for Production Operation and Contract of Work at construction stage as referred to in paragraph (1) fails to make adjustments to the minimum limit of processing and/or refining process for certain mineral mine commodities as provided in this Ministerial Regulation or to execute a plan for processing and/or refining cooperation with other parties as required by the laws and regulations, he/she must consult with the Director General for the processing and/or refining process.

Article 24

- (1) Any holder of IUP for Production Operation who has been in production prior to the coming into force of this Ministerial Regulation for any commodities of metal mineral, nonmetal minerals, and certain rocks must make

the necessary adjustments in his/her plan in order to conform to the minimum limit of processing and/or refining process as referred to in Attachment I, Attachment II, and Attachment III which form an integrated part of this Ministerial Regulation within a period of no longer than 5 (four) years as of the coming into force of the Law Number 4 of 2009 on Mineral and Coal Mining.

- (2) Any holder of IUP for Production Operation who has been in production as referred to in paragraph (1) submit a periodic report on the progress he/she has made in his/her adjustment of the plan to the minimum limit of processing and/or refining process for certain minerals to the Director General, governor, or regent/mayor for evaluation according to their respective authority.
- (3) In the event that holder of the IUP for Production Operation referred to in paragraph (1) fails to make adjustments to the minimum limit of processing and/or refining process as provided in this Ministerial Regulation or to establish cooperation with other parties as required by the laws and regulations, he/she must consult with the Director General for the processing and/or refining process.

Article 25

- (1) Any Contract of Work holder who has been in production prior to the coming into force of this Ministerial Regulation must make the necessary adjustments in his/her plan in order to conform to the minimum limit of processing and/or refining process as referred to in Attachment I which forms an integrated part of this Ministerial Regulation within a period of no longer than 5 (four) years as of the coming into force of the Law Number 4 of 2009 on Mineral and Coal Mining.
- (2) Any Contract of Work holder who has been in production must submit a periodic report on the progress he/she has made in his/her adjustment of the plan to the minimum limit of processing and/or refining process as referred to in paragraph (1) to the Director General, governor, or regent/mayor for evaluation according to their respective authority.
- (3) In the event that a Contract of Work holder fails to make adjustments to the minimum limit of processing and/or refining process as referred to in paragraph (1) or to establish cooperation with other parties as required by the laws and regulations, he/she must consult with the Director General for the processing and/or refining process.

CHAPTER X

CLOSING PROVISIONS

Article 26

This Ministerial Regulation comes into force as of the date of the enactment hereof.

In order that every person may be informed, enactment of this Ministerial Regulation is ordered to be published in the State Gazette of the Republic of Indonesia.

Stipulated in: Jakarta

On this day the 6th February 2012

MINISTER OF ENERGY AND MINERAL RESOURCES

REPUBLIC OF INDONESIA

[signed]

JERO WACIK

Enacted in Jakarta

On this day the 6th February 2012

MINISTER OF LAW AND HUMAN RIGHTS

REPUBLIC OF INDONESIA

[signed]

AMIR SYAMSUDDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 165 OF 2012

Copy in conformity with the original

MINISTRY OF ENERGY AND MINERAL RESOURCES

Head of Legal and Human Relationship Bureau

[signed and stamped]

Susyanto