

Mining Business Licenses - Mining Business Activities Regulation

Among other things contained in its 115 Articles, Government Regulation No. 23 of 2010 on the Implementation of Mineral Coal Mining Business Activities (Implementing Regulation) addresses procedures around obtaining Mining Business Licenses, or 'IUP'. As licensing is a critical feature of the 'umbrella' Law No. 4 of 2009 on Mineral and Coal Mining (Mining Law), the Implementing Regulation has been anticipated by stakeholders in the sector.

Before being able to obtain an IUP, contractors (companies, cooperatives, or individuals) must first secure a Licensed Mining Business Zone, or 'WIUP'. In turn, as provided in Article 8 (1) of the Implementing Regulation, there are five WIUP categories: radioactive, metal minerals, non-metal minerals, coal, and rocks. In order to secure (a) metal mineral and (b) coal WIUPs specifically, contractors must go through a bidding, or 'tender' process; that will be organized by the relevant authority depending on the territory (Minister of Energy and Mineral Resources, governor, regent/mayor) in the form of a tendering committee.





After the bidding process, the committee will report the result to the relevant authority, and grant the WIUP to the winning contractor. Details around this process are provided in Articles 10 to 19 of the Implementing Regulation.

Having secured the WIUP, contractors submit a request to the relevant authorities to obtain an IUP; that requires a raft of administrative, technical, financial, and environmentally-related documents. IUPs are however divided into 'Exploration' and 'Production Operation' categories (corresponding to the prospective activity), and the necessary documents may differ. Details can be found in Articles 23 - 27 of the regulation.

For those holders of IUP for Production Operation, the license can be extended upon application to the relevant authority and subsequent granting of approval. That application must contain documents set out by Article 45 (2), including a map and limitation of the IUP's zone coordinates, work plan, and estimated expenses. Extension requests are only allowed twice, and approval of the application is at the relevant authority's discretion.

The Implementing Regulation has been in force since 1 February 2010. 

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