

Type: REGULATION (PER)

By: THE MINISTER OF ENERGY AND MINERAL RESOURCES OF THE
REPUBLIC OF INDONESIA

Number: 44 YEAR 2017

Date: JULY 17, 2017 (JAKARTA)

Title: AMENDMENT TO REGULATION OF THE MINISTER OF ENERGY AND
MINERAL RESOURCES NUMBER 07 YEAR 2017 REGARDING
PROCEDURES FOR THE DETERMINATION OF REFERENCE PRICES
FOR METAL MINERALS AND COAL

BY THE GRACE OF THE ONE GOD ALMIGHTY

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

Considering:

- a. whereas to improve the effectiveness of development and supervision in the sale of mineral and coal mining commodities through the determination of reference prices, it is necessary to re-regulate the determination of reference prices for metal metals and coal;
- b. whereas based on the considerations as referred to in point a, it is necessary to stipulate a Regulation of the Minister of Energy and Mineral Resources regarding the Amendment to Regulation of the Minister of Energy and Mineral Resources Number 07 Year 2017 regarding Procedures for the Determination of Reference Prices for Metal Minerals and Coal;

In view of:

1. Law Number [4 Year 2009](#) regarding Mineral and Coal Mining (State Gazette of the Republic of Indonesia Year 2009 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 4959);
2. Law Number [23 Year 2014](#) regarding Regional Governments (State Gazette of the Republic of Indonesia Year 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended for several times, with the most recent amendment by Law Number 9 Year 2015 regarding the Second Amendment to Law Number 23 Year 2014 regarding Regional Governments (State Gazette of the Republic of Indonesia Year 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);
3. Government Regulation Number [23 Year 2010](#) regarding the Implementation of Mineral and Coal Mining Business Activities (State Gazette of the Republic of Indonesia Year 2010 Number 29, Supplement to the State Gazette of the Republic of Indonesia Number 5111) as amended for several times, with the most recent amendment by Government Regulation Number [1 Year 2017](#) regarding the Fourth Amendment to Government Regulation Number 23 Year 2010 regarding the Implementation of Mineral and Coal Mining Business

Activities (State Gazette of the Republic of Indonesia Year 2017 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6012);

4. Government Regulation Number [55 Year 2010](#) regarding Development and Supervision of the Implementation of Mineral and Coal Mining Business Management (State Gazette of the Republic of Indonesia Year 2010 Number 85, Supplement to the State Gazette of the Republic of Indonesia Number 5142);
5. Presidential Regulation Number [68 Year 2015](#) regarding the Ministry of Energy and Mineral Resources (State Gazette of the Republic of Indonesia Year 2015 Number 132) as amended by Presidential Regulation Number 105 Year 2016 regarding the Amendment to Presidential Regulation Number 68 Year 2015 regarding the Ministry of Energy and Mineral Resources (State Gazette of the Republic of Indonesia Year 2016 Number 289);
6. Regulation of the Minister of Energy and Mineral Resources Number 13 Year 2016 regarding Organization and Working Procedure of the Ministry of Energy and Mineral Resources (Official Gazette of the Republic of Indonesia Year 2016 Number 782);
7. Regulation of the Minister of Energy and Mineral Resources Number [07 Year 2017](#) regarding Procedures for the Determination of Reference Prices for Metal Minerals and Coal (Official Gazette of the Republic of Indonesia Year 2017 Number 100);

HAS DECIDED:

To Stipulate:

REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES REGARDING THE AMENDMENT TO REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES NUMBER 07 YEAR 2017 REGARDING PROCEDURES FOR THE DETERMINATION OF REFERENCE PRICES FOR METAL MINERALS AND COAL

Article I

Several Provisions of Regulation of the Minister of Energy and Mineral Resources Number 07 Year 2017 regarding Procedures for the Determination of Reference Prices for Metal Minerals and Coal (Official Gazette of the Republic of Indonesia Year 2017 Number 100), shall be amended as follow:

1. The provisions of Article 5 paragraph (1) shall be amended, thus Article 5 shall read as follows:

Article 5

- (1) HPM for Metal shall be determined by the Minister for each type of Metal Mineral commodity.
- (2) The HPM for Metal referred to in paragraph (1) may be HPM for Metal for the following commodities:
 - a. nickel, may be in form of:

1. nickel ore;
 2. ferronickel;
 3. mixed hydroxide precipitate;
 4. mixed sulfide precipitate;
 5. nickel metal shot;
 6. nickel pig iron;
 7. nickel ingot; and/or
 8. nickel-matte.
- b. cobalt, may be in form of:
1. cobalt ore;
 2. cobalt concentrate;
 3. cobalt ingot; and/or
 4. cobalt sulfide.
- c. lead, may be in form of:
1. lead ore;
 2. lead concentrate;
 3. lead ingot; and/or
 4. lead bullion.
- d. zinc, may be in form of:
1. zinc ore;
 2. zinc ingot;
 3. zinc concentrate; and/or
 4. zinc oxide.
- e. bauxite, may be in form of:
1. bauxite ore;
 2. alumina ingot;
 3. chemical grade aluminum and/or

- 4. smelter grade alumina.
- f. iron, may be in form of:
 - 1. iron ore;
 - 2. iron concentrate;
 - 3. iron sand;
 - 4. iron sand pellet;
 - 5. sponge iron; and/or
 - 6. pig iron.
- g. gold in form of gold metal;
- h. silver in form of silver metal;
- i. tin in form of tin ingot;
- j. copper, may be in form of:
 - 1. copper ore;
 - 2. copper concentrate; and/or
 - 3. copper metal.
- k. manganese, may be in form of:
 - 1. manganese ore; and/or
 - 2. manganese concentrate.
- l. chrome, may be in form of;
 - 1. chrome ore; and/or
 - 2. chrome metal.
- m. titanium, may be in form of:
 - 1. ilmenite concentrate; and/or
 - 2. titanium concentrate.
- n. Other certain Metal Minerals

- 2. The provisions of Article 6 paragraph (4) shall be amended, thus Article 6 shall read as follows:

Article 6

- (1) The HPM for Metal as referred in Article 5 shall be determined based on the formula of HPM for Metal.
- (2) The formula of HPM for Metal as referred to in paragraph (1) shall be determined based on the following variables:
- a. Metal Mineral value/content;
 - b. constant;
 - c. HMA;
 - d. corrective factor;
 - e. treatment cost and refining charges; and/or
 - f. payable metal.
- (3) The Metal Mineral value/content as referred to in paragraph (2) sub-paragraph a shall be determined in accordance with a certificate of analysis.
- (4) The amount of HMA as referred to in paragraph (2) sub-paragraph c shall be determined by the Minister every month.
- (5) The amount of HMA as referred to in paragraph (4) shall be determined by referring to the publication of Metal Mineral prices issued, among other things by:
- a. London Metal Exchange;
 - b. London Bullion Market Association;
 - c. Asian Metal; and/or
 - d. Indonesian Commodity & Derivatives Exchange.
- (6) The Formula of HPM for Metal as referred to in paragraph (1) and paragraph (2) may be reviewed periodically every 6 (six) months or at any time if necessary.
3. The provisions of Article 7 paragraph (1) shall be amended, thus Article 7 shall read as follows:

Article 7

- (1) HPB shall be determined by the Minister.
- (2) The HPB as referred to in paragraph (1) may be HPB for:
- a. Steam (Thermal) Coal; and
 - b. Coking (Metallurgical) Coal.

4. The provisions of Article 8 paragraph (5) shall be amended, thus Article 8 shall read as follows:

Article 8

- (1) The HPB for Steam (Thermal) of Coal or Coking (Metallurgical) Coal as referred to in Article 7 shall be determined based on the formula of HPB for Steam (Thermal) Coal or Coking (Metallurgical) Coal.
- (2) The formula of HPB for Steam (Thermal) Coal as referred to in paragraph (1) shall be determined based on the following variables:
 - a. Coal calorific value;
 - b. HBA for Steam (Thermal) Coal;
 - c. moisture content;
 - d. sulphur content; and
 - e. ash content.
- (3) The formula of HPB for Coking (Metallurgical) Coal as referred to in paragraph (1) shall be determined based on the following variables:
 - a. HBA for Coking (Metallurgical) Coal;
 - b. Coke Strength after Reaction;
 - c. volatile matter;
 - d. moisture content;
 - e. sulphur content; and
 - f. ash content
- (4) The Coal calorific value, volatile matter, moisture content, sulphur content, and ash content as referred to in paragraph (2) sub-paragraph a, sub-paragraph c, sub-paragraph d, and sub-paragraph e as well as paragraph (3) sub-paragraph c up to sub-paragraph f shall be determined by a certificate of analysis.
- (5) The amount of HBA as referred to in paragraph (2) sub-paragraph b and paragraph (3) sub-paragraph a shall be determined by the Minister every month.
- (6) The amount of HBA as referred to in paragraph (5) shall be determined by referring to the Coal price index issued, among other things by:
 - a. Indonesian Coal Index/ Argus Coalindo;
 - b. New Castle Export Index;
 - c. Globalcoal New Castle Index;

- d. Platts Index;
 - e. Energy Publishing Coking Coal Index; and/or
 - f. IHS Markit Index.
- (7) The formula of HPB as referred to in paragraph (1), paragraph (2), and paragraph (3) may be reviewed periodically every 6 (six) months or at any time if necessary.
5. The provisions of Article paragraph (1) shall be amended, thus Article 9 shall read as follows:

Article 9

- (1) A Holder of Coal Production Operation IUP and Coal Production Operation IUPK may sell certain types of Coal and Coal for certain purposes below HPB based on a formula determined by the Minister.
- (2) The certain types of Coal as referred to in paragraph (1) may be in form of:
- a. fine coal;
 - b. reject coal; and
 - c. Coal with certain impurities
- (3) The Coal for certain purposes as referred to in paragraph (1) may be in form of:
- a. Coal which is utilized by a company for its own purpose in a coal mining process;
 - b. Coal which is utilized by a Company in the context of increase in coal added value conducted at a mine mouth; and
 - c. Coal for the development of a disadvantaged area around a mine.
- (4) A Holder of Coal Production Operation IUP and Coal Production Operation IUPK may sell Coal to a mine mouth power plant company at a price in accordance with the provisions of a Ministerial Regulation providing for procedures for the supply and stipulation of the price of coal for mine mouth power plants.

Article II

This Ministerial Regulation shall enter into force as from the date of its promulgation.

For public cognizance, hereby ordering the promulgation of this Ministerial Regulation by placing it in the Official Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On July 17, 2017

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

Signed

IGNASIUS JONAN

Promulgated in Jakarta
On July 18, 2017

DIRECTOR GENERAL OF LAWS AND REGULATIONS OF THE MINISTRY OF LAW
AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA,

Signed

WIDODO EKATJAHJANA

OFFICIAL GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2017 NUMBER 980

Note

Source: LOOSE LEAF OF REGULATION OF THE MINISTER OF ENERGY AND
MINERAL RESOURCES YEAR 2017