

Edition | 01 August 2012



Mining Sector Remains Vulnerable to Policy Swings, Uncertainty

1. Introduction

A number of important new regulations governing the mining industry have been issued to date this year, some of which have drawn a generally positive response from the industry, while the response to others has been downright hostile.

In this AHP Client Update, we will present a brief overview of Indonesia's current mining-sector licensing regime, and discuss those aspects of the new policies that have given rise to particular disquiet in the mining industry. We will also look at two recent Constitutional Court decisions that struck down certain provisions of the Mining Act (No. 4 of 2009), and consider a number of more general issues that are of concern to industry players

2. Overview of Current Mining Regime

Despite abolishing the popular Contract of Work system (including Coal Contracts of Work/CCOW [2]), the enactment of the 2009 Mining Act, which repealed and replaced the earlier 1967 Mining Act, received a relatively broad welcome as it was hoped that it, and its ancillary regulations, would be able to address a number of long-standing uncertainties in the extractive industries sector. However, the process of issuing the said ancillary regulations has been slow, despite the Mining Act specifically requiring all such instruments to be issued within one year of its enactment, namely, by 12 January 2010. However, the government has promulgated a flurry of new regulations since the start of 2012. Unfortunately, many of these have given rise to more difficulties than they resolve (*for a list of mining sector regulations that are relevant to this Client Update, see Box 1 below*).

The Mining Act replaces the previous system of Contracts of Work (for foreign investors) and Mining Authorizations [3] (for Indonesian investors) with a location-based extractive industries licensing regime, consisting of Mining Licenses ("IUP") [4] for mining operations conducted in non state-reserved strategic areas, and Special Mining Licenses ("IUPK") [5] for mining operations in state-reserved strategic areas, where state and local government enterprises are to be prioritized. Should no state or local government enterprise bid or qualify for an available concession in a state-reserved area, it may be offered to the private sector, including domestic companies and companies established under the Indonesian FDI regime (known in Indonesia as "PMA" companies [6]))

So-called "community mining licenses" ("IPR") [7] are also issued, generally to small and medium-scale local mining operators (see discussion below in *Recent Constitutional Court Ruling*). Essentially, the general rules governing the physical aspects of mining operations under an IUP and IUPK are the same.

IUP/IUPKs may be issued by central or local government, depending on the size and location of the mineral resources in question, and come in a number of variants, with the main ones being the Exploration IUP/IUPK and Production IUP/IUPK. In addition, Special Processing IUP/IUPK [8] and Special Haulage-Trading IUP/IUPK [9] are, as their names suggest, required by undertakings that engage in processing or haulage/trading.

As mentioned earlier, COWs (including Coal Contracts of Work) signed prior to the enactment of the Mining Act remain in effect. However, their terms must be “harmonized” with the Mining Act’s provisions within one year of its enactment, save for terms that are related to fiscal aspects, such as taxes and royalties. However, it is far from clear precisely which provisions of the Mining Act are being referred to as many of these, if forcibly incorporated into COWs, would by most objective standards amount to breaches of contract. There has been no formal clarification to date on this issue from the Ministry of Energy and Mineral Resources (“**Mines Ministry**”).

Upon the expiry of its COW, a mining company will be prioritized for an IUP, and, upon its issuance, will thereafter be bound by all of the statutory provisions that apply under the prevailing licensing regime.

Meanwhile, Mining Authorizations that were granted to domestic mining operators prior to the entry into effect of the Mining Act should all have been converted into IUPs within 3 months of the issuance of Government Regulation No. 23 of 2010, that is, by 1 May 2010.

Despite a relatively straightforward statutory framework, in reality the licensing situation is currently marred by confusion and uncertainty as it has proved impossible to issue any greenfield IUPs to date under the Mining Act due to problems and delays in the national demarcation program for areas that are open to mining exploration and operations (such demarcation is specifically required under the Mining Act). Thus, for the purposes of this Client Update, we will confine our discussion to subsisting COWs entered into prior to the Mining Act, and IUPs issued as extensions of mining rights acquired under pre-existing COWs and Mining Authorizations that have expired since the entry into effect of the Mining Act.

Mining Permit Categories:

Principal Types of Licenses Under Mining Act 2009

- Exploration IUP – Issued for exploratory/prospecting work by Mines Ministry, Governor or Regent/Mayor (depending on location and extent of concession), may be granted to legal and natural persons, and cooperatives
- Exploration IUPK - Issued for exploratory/prospecting work in state-reserved areas by Mines Ministry, state and local government enterprises to be prioritized; concession may be granted to Indonesian private sector company (domestic or PMA) if no state or local government enterprise submits bid or qualifies
- Production IUP -- Issued for mining operations by Mines Ministry, Governor or Regent/Mayor (depending on location and extent of concession), may be granted to legal and natural persons, and cooperatives
- Production IUPK -- Issued for mining operations in state-reserved areas by Mines Ministry, state and local government enterprises to be prioritized; concession may be granted to Indonesian private sector company (domestic or PMA) if no state or local government enterprise submits bid or qualifies
- Community Mining License (IPR) – Issued by Regent/Mayor to local community groups, individuals and cooperatives for small and medium-scale mining operations.

Principal Types of Pre-Mining Act Authorizations that May Subsist After Mining Act's Enactment

- Contract of Work (Kontrak Karya) -- remains in effect after enactment of Mining Act but to be "harmonized" with the legislation's provisions within one year (save for fiscal provisions)
- Coal Contract of Work (Perjanjian Karya Pengusahaan Pertambangan Batubara / PKP2B) -- remains in effect after enactment of Mining Act but to be "harmonized" with Mining Act's provisions within one year (save for fiscal provisions)
- Mining Authorization (Kuasa Pertambangan) – Available to domestic mining operators, must be converted into IUP within 3 months of issuance of Government Regulation No. 23 of 2010
- Community Mining Permit (Surat Izin Pertambangan Rakyat)— Issued to local community groups, individuals and cooperatives for small and medium-scale mining operations, must be converted into IUP or IPR within 3 months of issuance of Government Regulation No. 23 of 2010.

3. Export Controversy

One of the most controversial features of the Mining Act is the general requirement established by Articles 95, 102, and 103 for designated mining products (metals, minerals, stones and coal) to be processed prior to being exported from Indonesia, which the Elucidation on Article 103(1) states is for the purpose of, among other things, increasing the value of mining products, ensuring raw material supplies for industry, increasing employment and boosting government revenue.

However, Article 170 of the Mining Act affords a dispensation of five years to holders of pre-existing Contracts of Work. Thus, they are required to commence in-country processing of output destined for export by not later than 12 January 2014).

The same dispensation is provided by Government Regulation No. 23 of 2010 to Mining Authorizations that have been converted into IUPs or IUPKs under the provisions of the Mining Act.

In accordance with the Mining Act, the Indonesian mining regime differentiates between coal and non-coal mining. Consequently, we will base our discussion on this distinction.

a. Non-Coal Sector

As mentioned in the Introduction, much of the recent controversy in the non-coal sector has concerned the imposition of restrictions and duties on non-coal mining exports in connection with the Mining Act's in-country processing requirement.

Unfortunately, these restrictions are complex, bureaucratic and riddled with ambiguities and unanswered questions, possibly the result of what appear to be conflicting philosophies in different ministries.

Export Moratorium

In accordance with the mandate provided by the Mining Act (as further elaborated by Government Regulation No. 23 of 2010 on Mineral and Coal Mining), the Mines Ministry issued Regulation No. 7 of

2012 (“MM Regulation 7”) on 6 February 2012, requiring that certain metal ores, non-metallic minerals and stones be processed or refined in Indonesia based on the parameters set out in the schedules to MM Regulation 7 before being exported (for full list, see Box 2 below). MM Regulation 7 also requires the processing/refining of certain side products that result from the original processing operations.

Processing must be carried out by the holder of the relevant Production IUP/IUPK. Should it be uneconomic for the license holder to carry out processing itself, it may collaborate with another Production IUP/IUPK holder, or the holder of a Special Processing IUP/IUPK. However, any such collaborative venture requires the approval of the Director General of Minerals and Coal (“DG Minerals & Coal”), who is also responsible for issuing Special Processing IUP/IUPK on behalf of the Mines Ministry, or the relevant governor or regent/mayor, as the case may be.

This provision, which further blurs the division of power and authority in the mining sector as between central and local government, elicited a barrage of criticism from resource-rich regions, which viewed it as an attempt by the central government to claw back powers that had previously been devolved from Jakarta.

MM Regulation 7 incorporates a range of administrative sanctions, ranging from written warnings (two at most) and temporary suspensions of processing and haulage/trading to outright revocation of a Production IUP/IUPK or Special Processing IUP/IUPK.

But the provision of MM Regulation 7 that generated by far and away the most controversy was Article 21, which imposed a three-month moratorium on the export of unprocessed mineral raw materials and ores by Production IUP and IPR holders commencing on 6 May 2012. The export moratorium, and concerns about the philosophy underlying it, caused major disquiet in the mining industry, while economists warned that it would have serious consequences for the country’s balance of payments. However, as we shall see below, the outright ban was to be short lived.

Moratorium Lifted

The Ministry of Trade issued Regulation No. 29/M-DAG/PER/5/2012 (“MoT Regulation 29”) on 7 May 2012 (one day after the ban on unprocessed exports under MM Regulation 7 came into effect), permitting the resumption of exports of designated unprocessed metals, minerals and ores under certain conditions, as described below:

Export Requirements under MoT Regulation 29

Article 2(2) of MOT Regulation 29 provides that only unprocessed mineral raw materials or ores produced by holders of Production IUP/IUPK, IPR and Contracts of Work may be exported. Prior to commencing exports, the company must register as an exporter, valid for 2 years, with the Ministry of Trade’s Directorate General of Foreign Trade (“DG Foreign Trade”). Along with the normal corporate documents, a would-be exporter must also produce a recommendation from the Mines Ministry’s DG Minerals & Coal. In addition, separate approvals must be secured for each export shipment from DG Foreign Trade (the requirements are the same as for listing as a registered exporter, including a recommendation from the DG Minerals & Coal).

Prior to shipment, exports must be verified and assessed by a surveyor appointed by DG Foreign Trade. Upon verification, the surveyor issues a report to be used in the calculation of export duty. Registered exporters are required to submit periodic reports on their operations to the Ministry of Trade, and if they miss three reports may be removed from the list of registered exporters. In addition, an exporter may be blacklisted for such things as falsifying export data, making unauthorized shipments or upon conviction of abuse of an export approval or its status as a registered exporter. In such circumstances, the company will be barred from shipping exports for a period of one year.

(For a full list of mining products whose export is restricted under MoT Regulation 29, see Box 2 below)

U-Turn at Mines Ministry

In a classic case of closing the stable door after the horse has bolted, the Mines Ministry finally reversed its hard-line stance under MM Regulation 7 by issuing Regulation No. 11 of 2012 (“MM Regulation 11”) on 21 May 2012, which finally removed any lingering doubts about the legality of unprocessed mining exports, provided that the following conditions are fulfilled:

- a recommendation is obtained from DG Minerals & Coal (procedural requirements for doing so are same as in MoT Regulation 29);
- all outstanding financial obligations to the state are settled;
- submission of a plan, or details of a planned collaborative venture, for in-country processing; and
- willingness to sign an integrity pact.

MM Regulation 11 further stipulates that the detailed procedures for the issuing of recommendations are to be determined by DG Minerals & Coal.

Policy Confusion

The fact that MoT Regulation 29 was issued one day after the export ban under MM Regulation 7 came into effect on 6 May 2012 but before the amendment of MM Regulation 7 on 21 May 2012 by MM Regulation 11 (authorizing the resumption of unprocessed exports, albeit subject to conditions) demonstrates worrying inconsistency and a marked lack of coordination at the policy level, and calls into question the role being played by the Coordinating Ministry for the Economy.

Recommendations from DG Minerals & Coal

As explained above, an intending exporter needs to obtain a recommendation from DG Minerals & Coal in order to be listed as a registered exporter of designated mining raw materials/ores, and a further recommendation from DG Minerals & Coal in order to secure Ministry of Trade approval for an export shipment. The procedures for the obtaining of such recommendations are set out in DG Minerals and Coal Regulation No. 574.K/30/30/DJB/2012 (“DG Regulation”), which entered into effect on 11 May 2012.

Referring to MM Regulation 7, the DG Regulation reiterates the need for producers of designated mining products to process them before export in accordance with the parameters laid down in MM Regulation 7. Thus, in a situation where a mining company be incapable of processing its output in compliance with these parameters, or in collaboration with another mining firm, it is required to consult with DG Minerals & Coal on plans to establish its own processing facility in Indonesia or arrange in-country joint processing with another company before a recommendation for listing as a registered exporter may be granted. Only upon submission of such plans to DG Minerals & Coal will the mining company become eligible to be granted recommendations for listing as a registered exporter and for the shipping of exports. Thus, the mining company is required to make a firm commitment to the government that it will develop its own, or a joint venture, processing facility prior to the entry into effect of the blanket ban on unprocessed exports in January 2014.

The DG Regulation further provides that only a Production IUP/IUPK holder, or the holder of a Special Processing IUP/IUPK or Special Haulage-Trading IUP/IUPK may be granted a recommendation for listing as a registered exporter. Accordingly, the holder of an Exploration IUP/IUPK is prohibited from exporting.

Aside from the normal technical details of application (such as corporate documents, etc), it should be noted that Article 4(1) of the DG Regulation requires a Production IUP holder applying for a registered exporter recommendation to submit a “clean and clear” certificate. This has been criticized by miners as further increasing the already heavy bureaucratic burden they have to bear.

A Production IUP holder is also required to sign an integrity pact, although it remains to be seen whether the mere signing of a piece of paper will miraculously encourage non-compliant operators to change their errant ways.

20% Export Duty

MoT Regulation 29 was quickly followed on 16 May 2012 by Minister of Finance Regulation No. 75/PMK.011/2012 TAHUN 2012 (“**MoF Regulation 75**”), which imposes a 20 percent tax on exports of unprocessed mineral raw materials and ores (among other products). As such mineral raw materials and ores are by nature impure and mixed with other materials, MoF Regulation 75 only applies to mixtures of two or more mining raw materials/ores, where one is listed in Schedule IV of MoF Regulation 75 as being liable to duty (other exports are assumed to have already been processed/refined in accordance with MM Regulation 7). Duty is assessed based on the highest price of the mixture’s components, but no guidance is give as to whether this is the sale price or the market price.

While MoF Regulation 75 does not specifically refer to MM Regulation 7, its preamble does reiterate the need to increase the value of mining exports and protect domestic supplies. Thus, it clearly works in tandem with MM Regulation 7, with the 20 percent duty it imposes on unprocessed/unrefined exports providing a powerful incentive to process ores domestically.

No explanation is given as to why MM Regulation 7 only covers 41 general categories of unprocessed mining products (14 metals, 8 non-metal minerals, and 19 types of stone), while MoF Regulation 75 imposes the 20 percent export duty on 65 mining commodities.

(For a full list of mining products whose export is subject to 20 percent duty under MoF Regulation 75, see Box 3 below)

Summary of Current Situation

Mining companies are permitted to export designated unprocessed metals, minerals and stones until the coming into effect of the blanket ban on 12 January 2014 provided that it is uneconomic or unfeasible for them to process such mining products themselves or in collaboration with another company in Indonesia. However, exports of designated products are subject to a 20 percent duty and are contingent upon the company committing to the establishment of processing facilities by not later than 12 January 2014.

b. Coal Sector

As explained earlier, the Mining Act requires that not only all designated metals, minerals and stones be processed in-country prior to export by 12 January 2014, but also coal.

This mandate was acted upon by Government Regulation No. 23 of 2010, which requires the processing of coal prior to export (as well as metals, minerals and stones) either by the holder of the Production IUP/IUPK itself, or in collaboration with another Production IUP/IUPK or a company that holds a Special Processing IUP/IUPK. The Regulation's elucidation explains that coal processing includes: (a) crushing; (b) washing; (c) blending; (d) upgrading; (e) briquetting; (f) liquefaction; (g) gasification; and (h) water mixing.

However, as in the case of the non-coal sector, holders of Coal COWs have until 12 January 2014 to comply with the processing requirement.

As things stand at the moment, coal may be exported by producers free of duty and with relatively few restrictions after they have fulfilled their domestic market obligations. However, with domestic coal demand set to soar upon the coming on stream of a string of new coal-fired power plants as part of the government's generating capacity expansion program, the central government is concerned about securing long-term domestic coal supplies. This has led to suggestions in government circles that an export tax on coal, or even restrictions on exports, may be imminent, despite the fact that that an export tax would likely violate existing COWs. While the government has vehemently denied that any such plans are afoot, there is no telling at this stage what policy U-turns may lie ahead.

Summary of Current Situation

A coal producer may export its production free of duty after the company has fulfilled its domestic market obligation. However, all coal exports will have to be processed within Indonesia from 11 January 2014 onwards.

4. Recent Constitutional Court Rulings

The confusion prevailing in the mining sector has been compounded to some extent by two recent decisions of the Constitutional Court, in which a number of provisions of the Mining Act were struck down on the grounds that they unduly restricted public access to mining rights.

In the first decision (No. 25/PUU-VIII/2010, entered on 4 June 2012), the court ruled as unconstitutional the Mining Act's Article 22(f), which provides, *inter alia*, that an IPR may only be issued in respect of land that has been mined by local people for at least 15 years. The court held that this unduly circumscribed the constitutional right to earn a living.

The court also annulled Article 52(1) of the Mining Act, which stipulates that an Exploration IUP for metals may only be granted in respect of a minimum geographic area of 5,000 hectares and a maximum of 100,000 hectares. The court ruled that the minimum size requirement unduly discriminated against small and medium-sized mining enterprises to the benefit of big operators.

In the second decision (No. 30/PUU-VIII/2010, also entered on 4 June 2012), the Constitutional Court struck down Articles 55(1), 61(1) and 75(4) of the Mining Act. Article 55(1) provides that an Exploration IUP for non-metal mining products may only be issued for a minimum geographic area of 500 hectares and a maximum of 25,000 hectares, while Article 61(1) stipulates a minimum area of 5,000 hectares and a maximum of 50,000 hectares for an Exploration IUP for coal. The court's reasoning was similar to that in the first decision.

The second decision also saw the Court rule as conditionally unconstitutional the phrase "by way of auction," as used in Articles 51, 60 and 75(4) of the Mining Act in connection with the granting of IUPs and IUPKs to private-sector companies. The court said that this would put smaller operators at a disadvantage if it was to be interpreted as meaning that "an auction shall be conducted without having regard to the differing administrative/managerial, technical, environmental and financial capacities of the participants in respect of what is being auctioned." In other words, the ruling means that the government, in conducting such auctions, is required to take into consideration the differing capacities of the participants so as to ensure a level playing field.

While these decisions appear at first sight to be well-intentioned and reasonable, they fail to take account of the potential for abuses orchestrated by powerful interests, and are likely to lead to further confusion and overlapping as permits are issued in contravention of the regulations by unscrupulous local governments.

5. Recurring Issues

The problems that many feared would arise from devolution of the power to issue mining licenses to local government under the Mining Act have come to pass, with the confusion caused by overlapping licenses being particularly acute. This is not merely due to governmental inefficiency, but is in many cases the result of an unseemly grab for resources involving both local and national political elites and powerful interests. Such grabs have a long pedigree in Indonesia, with foreign miners being the pre-eminent targets (although domestic and even state-owned operations can also be targeted). They frequently involve not only political pressure, but also the mobilization of local residents and mass

organizations (at the behest of vested interests), often resulting in not only the blockading of access to mines and mining concessions, but also outright violence, including the intimidation of mining company staff and destruction of company property and assets. There have been deaths on occasion.

As such campaigns are often orchestrated with, at the very least, the connivance of local authorities, there is very little mining companies can do other than appeal to the central government in Jakarta, which frequently appears to be unable or unwilling to help. Alternatively, an aggrieved company may resort to the courts. However, once again there is little guarantee of success. In the case of pre-existing COWs, there is always the possibility of international arbitration (significantly, this is precluded to holders of new mining licenses issued under the Mining Act (Article 154)). However, even here the process is likely to be protracted and result in the complainant being thereafter excluded from the Indonesian mining sector.

6. Conclusion

Some commentators argue that the recent policy swings in the mining sector demonstrate growing resource nationalism in line with the global trend, while others say they are nothing more than a ploy to raise additional revenues to cover a ballooning budget deficit. Yet others point to political maneuvers targeting foreign investors in the mining sector (always a popular move with the public) as the 2014 elections draw nearer. Notwithstanding the possible veracity of such claims, objectively speaking it would seem reasonably clear that the government is acting fully in accordance with the mandate provided by the Mining Act, which was duly passed by the national legislature in 2009. Thus, the industry has had ample warning, although this may not make the recent changes any more palatable. Whatever the case, Indonesia's vast mining resources and its proximity to the major markets of northern Asia and India will continue to make its mining sector relatively attractive to foreign investors, despite the current downturn.

Nevertheless, the dramatic flight of foreign funds from Indonesia over the last couple of months shows that the country's economy is still vulnerable to external shocks, despite the recent ratings upgrades by Moody's Investors Service and Fitch Ratings. Continuing policy gyrations, backtracking and a continuing lack of legal certainty in the mining sector could well contribute to a further erosion of the hard-won progress achieved in recent years.

[1] See AHP Client Update, 6 March 2012: Government Amends Mining Sector Rules

[2] Perjanjian Karya Pengusahaan Pertambangan Batubara (PKP2B)

[3] Kuasa Pertambangan

[4] Izin Usaha Pertambangan

[5] Izin Usaha Pertambangan Khusus

[6] Perusahaan Modal Asing (foreign investment company)

[7] Izin Pertambangan Rakyat

[8] IUP Operasi Produksi khusus untuk pengolahan dan/atau pemurnian

[9] IUP Operasi Produksi khusus untuk pengangkutan dan penjualan

Box 1**Relevant Mining Sector Regulations issued under Mining Act****Presidential Directives**

Presidential Directive No. 1 of 2012 on Support for Coal Industry

Government Regulations

22 of 2010 on Mining Areas

23 of 2010 on Mineral and Coal Mining

55 of 2010 on Mineral & Coal Mining Supervision and Direction

78 of 2010 on Mine Reclamation & Closure

24 of 2012 amending GR 23 of 2010 on Mineral and Coal Mining

9 of 2012 on Non-Tax State Revenues Chargeable by the Ministry of Energy and Mineral Resources

Ministry of Energy and Mineral Resources

28/2009 on Mining Services

34/2009 on Domestic Market Obligations

17/2010 on Benchmark Pricing

12/2011 on Procedures for Determine Mining Areas, and the Mineral and Coal Mining Information System)

7/2012 on Value Added Enhancement of Minerals through Mineral Processing and Purification

11/2012 on the Amendment of MM Regulation 7/2012

Ministry of Trade Regulations

29/M-DAG/PER/5/2012 of 2012 on Exportation of Mining Products

Ministry of Finance Regulations

75/PMK.011/2012 of 2012 on Export Duties

Directorate General of Minerals and Coal Regulations/Circulars

32.E/35/DJB/2009 of 2009 on Calculation of Royalties

376.k/30/DJB/2010 of 2010 on Affiliates

5055/30/DJB/2010 of 2010 on DMO Credits

515.K/32/DJB/2011 on Benchmark Pricing

574.K/30/DJB/2012 of 2012 on Procedures for Issuing Export Recommendations for Mining Products

Box 2**Categories of Mining Raw Materials/Ores that Must be Processed/Refined under Mines Ministry Regulation No. 7 of 2012****Metals:**

a. Copper; b. Gold; c. Silver; d. tin; e. lead and zinc; f. Chromium; g. molybdenum; h. platinum group

metals; i. Bauxite; j. Iron ore; k. Iron sand; l. Nickel and/or cobalt; m. manganese; and n. antimony.

Non-Metal Mining Products:

a. Calcite; b. feldspar; c. kaolin; d. bentonite; e. zeolite; f. silica; g. zircon; and h. diamond.

Stones:

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

Box 3

Mining Products whose Export is Restricted under Ministry of Trade Regulation No. 29/M-DAG/PER/5/2012

A. Metals:

1. Unroasted iron pyrite; 2. Unagglomerated iron ore and concentrates; 3. Agglomerated iron ore and concentrates; 4. Roasted iron pyrite; 5. Manganese ore and concentrates; 6. Copper ore and concentrates; 7. Nickel ore and concentrates; 8. Cobalt ore and concentrates; 9. Aluminum ore and concentrates; 10. Lead ore and concentrates; 11. Zinc ore and concentrates; 12. Chromium ore and concentrates; 13. Roasted molybdenum ore and concentrates; 14. Other molybdenum ore and concentrates; 15. Ilmenite ore and concentrates; 16. Titanium ore and concentrates; 17. Zirconium ore and concentrates; 18. Silver ore and concentrates; 19. Gold ore and concentrates; 20. Platinum group metals ore and concentrates; 21. Antimony ore and concentrates

B. Non-Metal Mining Products:

22. Quartz; 23. Quartzite; 24. Kaolin and other china clays, calcinated or otherwise; 25. Limestone; 26. Feldspar; 27. Zirconium silicate opacifier; 28. Certain types of activated zeolite powder; 29. Certain types of zeolite in pellet form; 30. Other industrial diamonds; 31. Non-industrial diamonds

C. Stones

32. Natural garnet; 33. Certain types of slate; 34. Crude or roughly trimmed marble and travertine; 35. Marble and travertine block; 36. Thick marble and travertine sheet; 37. Onyx; 38. Unexpanded perlite; 39. Expanded perlite; 40. Crude or roughly trimmed granite; 41. Granite blocks; 42. Thick granite sheets; 43. Granodiorite; 44. Gabronite; 45. Peridotite; 46. Basalt; 47. Quartz; 48. Uncut, or roughly cut or shaped opal; 49. Opal processed in other ways; 50. Uncut, or roughly cut or shaped chalcedony; 51. Chalcedony processed in other ways; 52. Uncut, or roughly cut or shaped chert; 53. Chert processed in other ways; 54. Uncut, or roughly cut or shaped jasper; 55. Jasper processed in other ways; 56. Uncut, or roughly cut or shaped chrysoprase; 57. Chrysoprase processed in other ways; 58. Uncut, or roughly cut or shaped garnet; 59. Garnet processed in other ways; 60. Uncut, or roughly cut or shaped agate 61. Agate processed in other ways; 62. Uncut, or roughly cut or shaped topaz; 63. Topaz processed in other ways; 64. Uncut, or roughly cut or shaped jade; 65. Jade processed in other ways

Box 4

Mining Products Subject to Export Duty under Minister of Finance Regulation No. 75/PMK.011/2012 of 2012

A. Metals

1. Unroasted iron pyrite; 2. Unagglomerated iron ore; 3. Agglomerated iron ore; 4. Roasted iron pyrite; 5. Manganese ore; 6. Copper ore; 7. Nickel ore; 8. Cobalt ore; 9. Aluminum ore; 10. Lead ore; 11. Zinc ore; 12. Chromium ore; 13. Roasted molybdenum ore; 14. Other molybdenum ore; 15. Ilmenite ore; 16. Other titanium ores; 17. Zirconium ore; 18. Silver ore; 19. Gold ore; 20. Platinum group metals ore; 21. Antimony ore

B. Non-Metal Mining Products

22. Quartz; 23. Quartzite; 24. Kaolin and other china clays, calcinated or otherwise; 25. Limestone; 26. Feldspar; 27. Zirconium silicate opacifier; 28. Certain types of activated zeolite powder; 29. Certain types of zeolite in pellet form; 30. Other industrial diamonds; 31. Non-industrial diamonds

C. Stones

32. Natural garnet; 33. Certain types of slate; 34. Crude or roughly trimmed marble and travertine; 35. Marble and travertine block; 36. Thick marble and travertine sheet; 37. Onyx; 38. Unexpanded perlite; 39. Expanded perlite; 40. Crude or roughly trimmed granite; 41. Granite block; 42. Thick granite sheets; 43. Granodiorite; 44. Gabronite; 45. Peridotite; 46. Basalt; 47. Quartz; 48. Uncut, or roughly cut or shaped opal; 49. Opal processed in other ways; 50. Uncut, or roughly cut or shaped chalcedony; 51. Chalcedony processed in other ways; 52. Uncut, or roughly cut or shaped chert; 53. Chert processed in other ways; 54. Uncut, or roughly cut or shaped jasper; 55. Jasper processed in other ways; 56. Uncut, or roughly cut or shaped chrysoprase; 57. Chrysoprase processed in other ways; 58. Uncut, or roughly cut or shaped garnet; 59. Garnet processed in other ways; 60. Uncut, or roughly cut or shaped agate; 61. Agate processed in other ways; 62. Uncut, or roughly cut or shaped topaz; 63. Topaz processed in other ways; 64. Uncut, or roughly cut or shaped jade; 65. Jade processed in other ways

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