

REGULATION OF THE PROVINCE OF SOUTH SULAWESI
NUMBER 4 OF 2018
ON
MINERALS AND COAL MINING MANAGEMENT

BY THE BLESSINGS OF ALMIGHTY GOD

GOVERNOR OF SOUTH SULAWESI,

- Considering :
- a. that in the framework of implementing Law Number 23 of 2014 on Local Government particularly the administration of government affairs in the field of energy and mineral resources, it is necessary to make adjustments to the provisions on the minerals and coal mining management in South Sulawesi Province;
 - b. that in order to realize a more optimal minerals and coal mining management as referred to in point a, it is necessary to formulate a guideline which will then become a reference in the framework of the implementation of minerals and coal mining activities in South Sulawesi Province;
 - c. that the minerals and coal mining management which is regulated by Regulation of the Province South Sulawesi Number 5 of 2011 on Minerals and Coal Mining Management is deemed no longer appropriate to the demands of development and development needs, so it needs to be reviewed;
 - d. that based on considerations as referred to in point a, point b and point c, it is necessary to establish Regulation

of the Province of South Sulawesi on Minerals and Coal Mining Management;

- Observing : 1. Article 18 of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 47 Prp. 1960 on Establishment of the First Level Region of South-east Sulawesi and the First Level Region of North Central Sulawesi (State Gazette of the Republic of Indonesia of 1960 Number 151, Supplement to the State Gazette of the Republic of Indonesia Number 2101) Juncto of Law Number 13 of 1964 on Enactment of Government Regulation in Lieu of Law Number 2 of 1964 on Establishment of the First Level Region of Central Sulawesi and the First Level Region of South-east Sulawesi by amending Law Number 47 Prp of 1960 on Establishment of the First Level Region of North Central Sulawesi and the First Level Region of South South-east Sulawesi into Law (State Gazette Republic of Indonesia 1964 Number 94, Supplement to the State Gazette of the Republic of Indonesia Number 2687);
3. Law Number 4 of 2009 on Minerals and Coal Mining (State Gazette of the Republic of Indonesia Number 4 of 2009, Supplement to the State Gazette of the Republic of Indonesia Number 4959);
4. Law Number 12 of 2011 on Legislation Making (State Gazette of the Republic of Indonesia of 2011 Number 82, Supplement to the State Gazette of the Republic of Indonesia Number 5234);
5. Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2014 Number 244, Supplement to the State Gazette of the Republic of Indonesia Number 5587) as amended several times, and last by Law Number 9 of 2015 on the Second Amendment to Law Number 23 of 2014 on Local Government (State Gazette of the Republic of Indonesia of 2015 Number 58, Supplement to the State Gazette of the Republic of Indonesia Number 5679);

6. Government Regulation Number 22 of 2010 on Mining Area (State Gazette of the Republic of Indonesia Number 28 of 2010, Supplement to the State Gazette of the Republic of Indonesia Number 5110);
7. Government Regulation Number 23 of 2010 on Implementation of Mineral and Coal Mining Business Activities as amended several times, last by Government Regulation Number 8 of 2018 on the Fifth Amendment to Government Regulation Number 23 of 2010 on Implementation of Mineral and Coal Mining Business Activities (State Gazette of the Republic of Indonesia of 2018 Number 28, Supplement to the State Gazette of the Republic of Indonesia Number 6186);
8. Government Regulation Number 55 of 2010 on Construction and Supervision of Mining Business (State Gazette of the Republic of Indonesia of 2010 Number 85, Supplement to the State Gazette of the Republic of Indonesia Number 5142);
9. Regulation of the Minister of Energy and Mineral Resources of the Republic of Indonesia Number 41 of 2016 on Community Development and Empowerment in Minerals and Coal Mining Business Activities (State Gazette of the Republic of Indonesia of 2016 Number 1879);
10. Regulation of the Minister of Energy and Mineral Resources of the Republic of Indonesia Number 34 of 2017 on Licenses in the Field of Minerals and Coal Mining (State Gazette of the Republic of Indonesia of 2017 Number 668);

With the Joint Approval of
THE PROVINCIAL HOUSE OF REPRESENTATIVES
and
THE GOVERNOR OF SOUTH SULAWESI

HAS DECIDED:

To issue : REGIONAL REGULATION ON MINERALS AND COAL MINING
MANAGEMENT.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Government means the President of the Republic of Indonesia who holds the power of government of the Republic of Indonesia as referred to in the 1945 Constitution of the Republic of Indonesia.
2. Region means South Sulawesi Province.
3. Local Government means the Governor as the element of regional government organizer who leads the implementation of government affairs which are the authority of the autonomous region.
4. Governor means the Governor of South Sulawesi.
5. Regional House of Representatives, hereinafter abbreviated as DPRD means the Regional House of Representative of South Sulawesi Province which is domiciled as an element of Local Government administrator.
6. Regency/Municipality means a Regency/Municipality in South Sulawesi.
7. Regent/Mayor means Regent/Mayor in South Sulawesi.
8. Government Affairs means government powers which are the authority of the President whose implementation is carried out by the State ministries and the administrators of the Local Government to protect, serve, empower, and prosper the community.
9. Technical Regional Instrument means a Regional Instrument administering government affairs in the field of energy and mineral resources.
10. Licensing Regional Instrument means a Regional Instrument administering government affairs in the field of licensing.
11. Head of Office means the Head of Office administering government affairs in the field of minerals and coal mining.

12. Office Branch means a part of the Technical Regional Instruments established as a work unit of office with a specific work area.
13. Mining means a part or all of the stages of activity in the framework of the research, management and exploitation of minerals or coal that include general research, exploration, feasibility studies, construction, mining, processing and refining, transportation and sales, and post-mining activities.
14. Mineral means an inorganic compound that is formed inside nature, which has certain physical and chemical characteristics and the arrangement of regular crystals or their combination that forms rock, either in loose or coherent form.
15. Coal means sediment of organic carbon compounds which are formed naturally from the remnants of plants.
16. Mining Area (*Wilayah Pertambangan*), hereinafter referred to as WP, means an area that has mineral and/or coal potential and is not bound by government administrative boundaries that are part of the national spatial plan.
17. Mining Business Area (*Wilayah Usaha Pertambangan*), hereinafter referred to as WUP, means a part of a Mining Area that already has availability of data, potential, and/or geological information.
18. Mining Business Permit Area (*Wilayah Izin Usaha Pertambangan*), hereinafter referred to as WIUP, means an area granted to Mining Business License holders.
19. People Mining Areas (*Wilayah Pertambangan Rakyat*), hereinafter referred to as WPR, means part of the Mining Areas where community mining activities are carried out.
20. Mining Business License (*Izin Usaha Pertambangan*), hereinafter abbreviated as IUP means a permit to carry out mining business.
21. People's Mining License (*Izin Pertambangan Rakyat*), hereinafter abbreviated as IPR, means a license to carry out mining in a community mining area with a limited area and investment.

22. Exploration Mining Business License (*Izin Usaha Pertambangan Eksplorasi*), hereinafter referred to as Exploration IUP, means a business license granted to carry out the stages of general investigation, exploration and feasibility study activities.
23. Production Operation Mining Business License (*Izin Usaha Pertambangan Operasi Produksi*), hereinafter referred to as Production Operation IUP , means a business license granted after the completion of an Exploration IUP to carry out the stages of production operation activities.
24. Special Production Operation Mining Business License for processing and/or refining (*Izin Usaha Pertambangan Operasi Produksi Khusus untuk pengolahan dan/atau pemurnian*), hereinafter referred to as Special Production Operation IUP for processing and/or refining, means a business license granted to purchase, transport, process and purify, including selling mineral commodities or processed coal.
25. Mining Services Business License (*Izin Usaha Jasa Pertambangan*), hereinafter referred to as IUJP, means a license granted to conduct mining service business activities.
26. Special Production Operation Mining Business License for transportation and sale (*Izin Usaha Pertambangan Operasi Produksi Khusus untuk pengangkutan dan penjualan*), hereinafter referred to as IUP Special Production Operation for transportation and sale, means a business license granted to companies to buy, transport and sell mineral and coal mining commodities.
27. Business entity means any legal entity engaged in energy and mineral resources established under Indonesian law and domiciled in the territory of the Unitary State of the Republic of Indonesia.
28. State-Owned Enterprises (*Badan Usaha Milik Negara*), hereinafter abbreviated as BUMN means BUMN engaged in mining in accordance with statutory provisions.

29. Regional-owned Enterprises (*Badan Usaha Milik Daerah*), hereinafter abbreviated as BUMD, means BUMD engaged in mining in accordance with statutory provisions.
30. Individuals mean individuals, firm, and/or limited company.
31. Environmental Impact Analysis (*Analisis Mengenai Dampak Lingkungan*), hereinafter referred to as AMDAL, means a study of the significant impacts of planned business status and/or activities on the environment required for the decision-making process regarding the conduct of businesses and/or activities.
32. Environmental Management Efforts (*Upaya Pengelolaan Lingkungan*), hereinafter referred to as UKL, mean the management of businesses and/or activities that have no significant impact on the environment required for the decision-making process regarding the conduct of businesses and/or activities.
33. Environmental Monitoring Efforts (*Upaya Pemantauan Lingkungan*), hereinafter referred to as UPL, mean monitoring of businesses and/or activities that do not have an important impact on the environment required for the decision-making process regarding the conduct of businesses and/or activities.
34. General Investigation means the stage of mining activities to determine the regional geological conditions and indications of mineralization.
35. Exploration means the stage of mining business activities to obtain detailed and accurate information about the location, shape, dimensions, distribution, quality and measured resources of minerals, as well as information about the social and environmental environment.
36. Processing and Refining mean mining business activities to improve the quality of minerals and/or coal and to utilize and obtain associated minerals.
37. Transportation means mining business activity to move minerals and/or coal from mining areas and/or processing and refining sites to the point of delivery.

38. Sales mean mining business activities to sell mineral or coal mining products.
39. Feasibility Study means a stage of mining business activities to obtain detailed information on all aspects related to determining the economic and technical feasibility of a mining business, including an analysis of environmental impacts and post-mining planning.
40. Construction means a mining business activity to carry out construction of all production operation facilities, including controlling environmental impacts.
41. Mining means a part of mining business activities to produce non-metallic minerals and/or rocks.
42. Reclamation means an activity carried out throughout the stages of a mining business to organize, restore, and improve the quality of the environment and ecosystem so that it can function again in accordance with its purpose.
43. Post-mining means an activity that aims to improve or organize the use of ex-mining land.
44. Supervision means a series of efforts/activities undertaken to ensure the upholding of legislation for the minerals and coal mining management.
45. Minister means the minister administering government affairs in the field of minerals and coal mining.
46. Cost Budget Work Plan (*Rencana Kerja Anggaran Biaya*), hereinafter abbreviated as RKAB, is a plan of activities and budget that must be submitted by IUP and IUPK holders every calendar year in November.

Article 2

Minerals and coal mining management is based on:

- a. benefits, fairness and balance;
- b. alignments to the interests of the nation;
- c. participatory, transparency and accountability;
- d. legal certainty; and
- e. sustainable and environmentally friendly.

Article 3

The minerals and coal mining management aims to:

- a. ensure the realization of a sense of justice for all minerals and coal mining stakeholders;
- b. guarantee the effectiveness of the implementation and control of mining business activities that are efficient, effective and competitive;
- c. guarantee the benefits of minerals and coal mining that is sustainable and environmentally sound;
- d. guarantee the availability of minerals and coal in the Region;
- e. increase the income of the people, regions, and the country and create employment for the maximum welfare of the people; and
- f. guarantee legal certainty in conducting minerals and coal mining business activities.

CHAPTER II

MANAGEMENT AUTHORITY

Article 4

- (1) The authority to manage minerals and coal mining in the Region is carried out by the Local Government.
- (2) The authority as referred to in section (1) includes:
 - a. drafting regulations related to minerals and coal mining management;
 - b. determination of WIUP of non-metallic minerals and rocks in the Region and sea area up to 12 nautical miles;
 - c. proposing WPR metallic minerals, non-metallic minerals, rocks, and coal in the Region and sea area up to 12 nautical miles;
 - d. issuance of metallic minerals, non-metallic minerals, rocks, and coal IUP in the context of domestic investment in WIUP of areas within the Region including sea areas up to 12 nautical miles;

- e. issuance of IPR of metallic minerals, non-metallic minerals, rocks, and coal in the WPR;
- f. issuance of Mining Operations for Production Operations specifically for processing and/or refining;
- g. issuance of mining service business licenses and registration marks in the context of domestic investment whose business activities are in the Region;
- h. benchmark prices for non-metallic minerals and rocks;
- i. inventory, investigation and research as well as exploration in order to obtain data and information on minerals and coal that are in the Region including the sea area up to 12 nautical miles;
- j. management of geological information, information on the potential of mineral and coal resources and mining information within the area including the sea area up to 12 nautical miles;
- k. preparation of mineral and coal resource balance in the Region including sea areas up to 12 nautical miles;
- l. developing and increasing the added value of mining business activities;
- m. developing and enhancing community participation in the mining business by taking into account environmental sustainability;
- n. coordinating permits and supervising the use of explosives in mining areas within the area including sea areas up to 12 nautical miles;
- o. submitting information on the results of inventory, general investigation, research, exploration, production results, domestic sales and exports to the Minister and Regent/Mayor;
- p. fostering, resolving community conflicts, controlling and evaluating mining business activities that are in the Region including sea areas up to 12 nautical miles;

- q. guidance and supervision of post-mining land reclamation;
- r. increasing the ability of the Local Government apparatus in the mining business management; and
- s. other authorities in accordance with the provisions of legislation.

CHAPTER III MINING AREAS

Article 5

- (1) The Local Government proposes the WP plan to the Government to be stipulated as WP which is part of the national spatial plan as the basis for determining mining activities.
- (2) Proposed WP plan as referred to in section (1), may be coordinated with the Regency/Municipal Government related to mineral and coal data and information in the Region including the sea area up to 12 nautical miles.
- (3) In the framework of proposing WP, the Local Government is obligated to conduct an investigation and research into mining potential.

Article 6

The Governor in accordance with his or her authority can propose amendments to the Minister based on the results of investigations and research.

CHAPTER IV MINING BUSINESS LICENSE OF NON-METALLIC MINERALS AND ROCKS

Part One General

Article 7

- (1) Granting of WIUP consists of:

- a. non-metallic minerals WIUP; and
 - b. rocks WIUP.
- (2) The granting of WIUP as referred to in section (1) is obtained by submitting an application for WIUP.

Part Two

Determination of Non-Metallic Minerals and Rocks WIUP

Article 8

- (1) The Governor determines WIUP in regions including sea areas up to 12 nautical miles.
- (2) Determination of WIUP as referred to in section (1) must meet the following criteria:
 - a. geographical location;
 - b. conservation principles;
 - c. environmental carrying capacity;
 - d. resource optimization; and
 - e. population density.

Article 9

- (1) The WIUP as referred to in Article 8 is determined based on requests from business entities, cooperatives, or individuals who have fulfilled the requirements.
- (2) The WIUP as referred to in section (1) is granted by the Governor after obtaining a recommendation from the local Regent/Mayor by taking into account the regency/city spatial plan.
- (3) Further provisions regarding the procedure for granting WIUP are governed by a Governor Regulation.

CHAPTER V

MINING BUSINESS

Article 10

- (1) Mining businesses are classified into:
 - a. minerals mining; and
 - b. coal mining.

- (2) The minerals mining as referred to in section (1) point a is classified as follows:
 - a. metallic minerals mining;
 - b. non-metallic minerals mining; and
 - c. rocks mining.
- (3) The mining business as referred to in section (1) is carried out after obtaining an IUP/IPR.
- (4) Further provisions regarding the procedure for issuing IUP/IPR as referred to in section (3) are regulated by a Governor Regulation.

CHAPTER VI MINING LICENSE

Article 11

- (1) Every person or business entity that carries on business activities of mining and mining services of metallic minerals, non-metallic minerals, rocks and coal is obligated to have a mining license granted by the Governor.
- (2) The mining licenses as referred to in section (1), include:
 - a. IUP;
 - b. IPR;
 - c. IUJP; and
 - d. special license.
- (3) In the context of acceleration and efficiency of public services, the Governor may delegate the authority to grant mining licenses to the Licensing Regional Instrument or Office Branch after obtaining consideration from the Technical Regional Instrument.
- (4) Further provisions regarding delegation of authority as referred to in section (3) are regulated by a Governor Regulation.

Article 12

- (1) The IUP as referred to in Article 11 section (2) point a can be divided into 2 (two) stages, namely:

- a. Exploration IUP; and
 - b. Production Operation IUP.
- (2) The Exploration IUP as referred to in section (1) point a is a license to carry out general investigation, exploration, feasibility study and environmental analysis activities.
 - (3) The Production Operation IUP as referred to in section (1) point b is a license to carry out construction, mining, processing and refining, transportation and sales activities.
 - (4) The IPR as referred to in Article 11 section (2) point b is a license to carry out a mining business in a community mining area with limited area and investment.
 - (5) The IUJP as referred to in Article 11 section (2) point c is a license granted to conduct a mining service business.
 - (6) The special license referred to in Article 11 section (2) point d consists of:
 - a. temporary license to carry out transportation and sale;
 - b. Production Operation IUP for sales;
 - c. Production Operation IUP specifically for processing and/or refining; and
 - d. registration mark.

Article 13

- (1) The Exploration IUP as referred to in Article 12 section (1) point a may be granted for commodities of:
 - a. metallic mineral for a maximum of 8 (eight) years;
 - b. non-metallic minerals for a maximum of 3 (three) years;
 - c. rocks for a maximum of 3 (three) years; and
 - d. coal for a maximum of 7 (seven) years.
- (2) The Production Operation IUP as referred to in Article 12 section (1) point b may be granted for commodities of:
 - a. metallic minerals for a maximum of 20 (twenty) years and can be extended 2 (two) times each for 10 (ten) years;
 - b. non-metallic minerals for a maximum of 10 (ten) years and can be extended 2 (two) times each for 5 (five) years;

- c. rocks for a maximum of 5 (five) years and can be extended 2 (two) times each for 5 (five) years; and
 - d. coal for a maximum of 20 (twenty) years and can be extended 2 (two) times each for 10 (ten) years.
- (3) The Production Operation IUP specifically for processing and/or refining for commodities:
- a. metallic minerals are given a maximum of 30 (thirty) years.
 - b. non-metallic minerals and rocks are given a maximum of 5 (five) years.
- (4) The IPR as referred to in Article 11 section (2) point b is granted not later than 5 (five) years.
- (5) The IUJP as referred to in Article 11 section (2) point c is granted not later than 5 (five) years.
- (6) The special license as referred to in Article 11 section (2) point d is granted not later than 1 (one) year or the volume has been fulfilled.

Article 14

Business entities or cooperatives or individuals who are not engaged in the mining business sector, which intend to sell non-metallic minerals and excavated rocks, are required to have a Production Operation IUP for sales.

Article 15

Further provisions regarding the procedure for issuing IUP, IPR, IUJP, and Special Permits are regulated by a Governor Regulation.

CHAPTER VII RIGHTS AND OBLIGATIONS

Part One Exploration IUP Holders

Article 16

The Exploration IUP holders are entitled to:

- a. conduct part or all of the stages of activities during the Exploration IUP, namely the activity of general investigations, exploration and feasibility studies in accordance with the provisions of legislation;
- b. utilize public infrastructure and facilities for the purposes of Exploration IUP activities in accordance with the provisions of legislation;
- c. build facilities to support Exploration IUP activities both inside and outside the WIUP;
- d. get related licensing in order to support the implementation of general investigation, exploration and feasibility study activities; and
- e. increase license to stages of Production Operation IUP, after fulfilling the requirements in accordance with the provisions of legislation.

Article 17

The Exploration IUP holders are obligated to:

- a. provide sufficient funds and are fully responsible for financing general investigation, exploration and feasibility study activities;
- b. peg the WIUP boundary and starting general investigation, exploration and feasibility study activities no later than 6 (six) months from the date the Exploration IUP is issued;
- c. compile an annual RKAB that contains a technical and financial work plan for 1 (one) year that will run, to obtain approval of the Technical Regional Instrument every mid-November;
- d. carry out activities based on the approved RKAB;
- e. invest to carry out activities as referred to in point d, not less than the minimum cost provisions in accordance with the provisions of the legislation;
- f. fulfill financial obligations in accordance with the provisions of legislation;
- g. apply mining technical rules that are good and right, in carrying out general investigation, exploration and feasibility study activities;

- h. apply for a temporary license from the Governor regarding the transportation and sale of minerals and coal;
- i. conduct environmental management and monitoring due to Exploration IUP activities;
- j. use local workers/services in accordance with the competencies and provisions of the legislation;
- k. settle the obligation of disturbed land use before carrying out activities in accordance with the provisions of legislation;
- l. secure and report metallic minerals, non-metallic minerals, rocks, and coal which have been excavated due to Exploration IUP activities;
- m. submit all data resulting from Exploration IUP activities to the Technical Regional Instrument;
- n. establish a head office or representative office in the area where WIUP is located;
- o. submit quarterly reports and annual reports on exploration activities, and submit all data on the results of activities achieved to the Technical Regional Instrument;
- p. submit a final report on the stages of activities to the Technical Regional Instrument not later than 6 (six) months prior to the end of each stage of activities during the Exploration IUP;
- q. submit a complete exploration report, a feasibility study report, and an environmental document study report to obtain approval from the Technical Regional Instrument as part of the requirements for upgrading to the Production Operation IUP;
- r. reduce or return the area based on the results of an investigation or exploration;
- s. prepare plans and carry out Reclamation on exploration activities;
- t. provide Reclamation guarantees according to the Reclamation fee plan that has been approved by the Head of Service; and
- u. undertake work safety and health efforts as well as the safety of mining operations.

Part Two
Production Operation IUP Holders

Article 18

The Production Operation IUP Holders are entitled to:

- a. carry out all stages of activities during the period of production operation permit, namely construction, mining, processing, transportation and sales activities in accordance with the provisions of legislation;
- b. get related licensing, to support the implementation of the activities referred to in point a;
- c. build supporting infrastructure and facilities and processing facilities inside and outside WIUP, after fulfilling the requirements in accordance with the provisions of legislation;
- d. use public facilities and infrastructure in accordance with the provisions of legislation;
- e. cooperate with third parties to carry out part of the production operation activities in accordance with the provisions of legislation;
- f. extend the validity period of Production Operation IUP in accordance with the provisions of legislation;
- g. re-apply the WIUP file when the Production Operation IUP has expired and cannot be extended in accordance with the provisions of legislation.

Article 19

The Production Operation IUP holders are obligated to:

- a. guarantee the application of environmental standards and quality standards in accordance with the characteristics of the Regions determined by the Governor;
- b. maintain the function and carrying capacity of water resources in WIUP in accordance with the provisions of legislation;
- c. provide support for repairs and maintenance in terms of utilizing public facilities and infrastructure that turned out to have a detrimental impact;

- d. provide a boundary mark by placing a stake in WIUP within a period of not later than 6 (six) months from the date the Production Operation IUP is issued;
- e. increase the added value of Mineral and/or Coal resources in the implementation of mining, processing and refining, as well as the utilization of the Mineral and/or Coal it processes;
- f. processing and refining domestic mining products;
- g. cooperating with Business Entities or individuals who have obtained Special Production Operation IUP for processing and refining in the event that they cannot carry out processing and refining;
- h. has a Production Operation IUP for a pre-sale for a Business Entity or an individual not engaged in a mining business intending to sell excavated minerals and coal;
- i. prioritizing the utilization of mining service businesses in the form of local workforce, other local and/or national mining goods and services in accordance with the competence and provisions of legislation;
- j. heed and respect the local values/ culture of the local community;
- k. involving local entrepreneurs in the area, while still considering the feasibility and proportional aspects of carrying out production operations;
- l. develop community development and empowerment programs and consult with the local Regency/Municipal government;
- m. submit all data obtained from the results of production operations to the technical agency;
- n. prepare plans and carry out Reclamation and post-mining activities in production operations;
- o. provide Reclamation guarantees and post-mining guarantees in accordance with the Reclamation cost plan and calculation of post-mining plans that have been approved by the Head of Service;
- p. compile and report the annual RKAB to the Head of Service to obtain written approval before conducting mining activities;

- q. submit periodic written reports to the Technical Institution for endorsement of the annual RKAB implementation; and
- r. divest shares to the Government, Local Government, Regency/Municipal Government, BUMN, Provincial BUMD, Regency/Municipal BUMD, and/or national private business entities in accordance with the provisions of legislation for Business Entities that hold IUP holders whose shares are owned by foreigners after 5 (five) years of production.

CHAPTER VIII RECLAMATION AND POST-MINING

Article 20

- (1) Reclamation and Post-Mining Plan prepared based on AMDAL or UKL and UPL, and is part of the feasibility study.
- (2) AMDAL or UKL and UPL as referred to in section (1) of the regional work unit in charge of the environment.
- (3) Reclamation and post-mining guarantees are stipulated by the Head of Service after obtaining delegation from the Governor.
- (4) Reclamation and Postmining Guarantees must be placed in advance at a Government bank.

Article 21

Guidelines for the preparation of documents and procedures for establishing Reclamation and Postmining guarantees are further regulated by a Governor Regulation.

CHAPTER IX TEMPORARY TERMINATION OF MINING BUSINESS LICENSE ACTIVITIES

Article 22

- (1) Temporary suspension of mining business activities may be granted to IUP holders in the event of:

- a. force majeure situation;
 - b. a condition that prevents causing a cessation of some or all of the mining business activities;
 - c. if the environmental carrying capacity of the area is unable to bear the burden of the operations of producing mineral and/or coal resources carried out in the region.
- (2) Application for the temporary suspension of mining business activities as referred to in section (1), point a and point b is submitted to the Governor.
 - (3) The temporary termination as referred to in section (1) point c is carried out by the mine inspector based on community requests to the Governor.
 - (4) The Governor issues a written decision which is accepted or rejected along with the reasons for the application as referred to in section (2) and section (3), not later than 30 (thirty) days after receiving the request.

Article 23

- (1) The period of temporary termination due to force majeure and/or the prevailing conditions as referred to in Article 22 section (1), is given a maximum of 1 (one) year and can be extended at most 1 (one) time for 1 (one) year.
- (2) If within the period before the expiration of the temporary termination period, the IUP holder is ready to carry out its operational activities, the said activity must be reported to the Governor.
- (3) The governor revokes the decision on temporary suspension after receiving the report as referred to in section (2).

Article 24

- (1) If the temporary suspension of mining business activities is granted due to force majeure as referred to in Article 22 section (1) point a, the obligations of IUP holders to the Government and Local Government do not apply.

- (2) If the temporary suspension of mining business activities is granted due to conditions that hinder mining business activities as referred to in Article 22 section (1) point b, the obligations of IUP holders to the Government and Local Governments continues to apply.
- (2) If the temporary suspension of mining business activities is provided due to the environmental carrying capacity of the region as referred to in Article 22 section (1) point c, the obligations of IUP holders to the Government and Local Governments continue to apply.

CHAPTER X

TERMINATION OF MINING BUSINESS LICENSES

Article 25

IUP expires because:

- a. returned;
- b. revoked; or
- c. expired.

Article 26

- (1) IUP holders may submit their IUP again with a written statement to the Governor and accompanied by clear reasons.
- (2) Return of IUPs as referred to in section (1), is declared valid after being agreed in writing by the Governor and the IUP Holder fulfilling his or her obligations.

Article 27

IUP can be revoked by the Governor if:

- a. IUP holders do not fulfill the obligations stipulated in the IUP and the provisions of legislation; and
- b. IUP holders commit criminal acts as referred to in the provisions of the legislation and/or IUP holders are declared bankrupt.

Article 28

In the event that the time period specified in the IUP has expired and no application for an increase or extension of the activity stage or application filing has been submitted but does not meet the requirements, the IUP expires.

Article 29

- (1) IUPs ending due to reasons as referred to in Article 25 must fulfill and settle obligations in accordance with the legislation.
- (2) Obligations of holders of IUP as referred to in section (1), are deemed fulfilled after obtaining written approval from the Governor.

Article 30

- (1) IUP that has been returned, revoked or expired as referred to in Article 25 shall be submitted to the Governor.
- (2) WIUP whose IUP ends as referred to in section (1), is offered to Business Entities and/or individuals in accordance with the legislation.

Article 31

In the event that the IUP ends as referred to in Article 25 point c, the IUP holder must submit all data obtained from exploration and production operations to the Governor.

CHAPTER XI

LAND USE FOR MINING BUSINESS ACTIVITIES

Article 32

- (1) Right to WIUP does not cover land surface rights.
- (2) Mining business activities cannot be carried out in places that are prohibited from conducting mining business activities in accordance with the provisions of legislation.
- (3) Prohibited places as referred to in section (2), include but not limited to cultural reserves and other prohibited areas.

Article 33

- (1) In the event that the holders of an IUP carries out activities on the land of another person's rights, they must first obtain approval and/or settle their obligations with the right holder according to the provisions of the legislation.
- (2) Settlement of land rights as referred to in section (1), can be carried out in stages in accordance with the needs for land by the IUP holder.

Article 34

IUP holders as referred to in Article 33 who have completed their obligations to the required parcels of land, can be given land rights in accordance with the provisions of legislation.

Article 35

The right to IUP does not constitute ownership of land rights.

CHAPTER XII

FOSTERING, SUPERVISION, CONTROL AND EVALUATION, AS
WELL AS COMMUNITY PROTECTION

Part One

Fostering

Article 36

The Governor fosters the implementation of mining business activities carried out by holders of IUP, IPR and IUJP.

Article 37

Guidance on the mining business management as referred to in Article 36, consists of:

- a. providing guidelines and standards for the implementation of mining business management;
- b. providing supervision guidance, and consultation;
- c. education and training; and
- d. planning, researching, developing monitoring, and

evaluating the implementation of mining business operations in the Minerals and Coal fields as needed.

Article 38

Education and training as referred to in Article 37 point c, can be carried out alone by the Local Government or in collaboration with other relevant institutions.

Article 39

- (1) Guidance on the implementation of mining business activities as referred to in Article 36 at least covers:
 - a. mining administration;
 - b. mining operational techniques; and
 - c. application of mining labor competency standards.
- (2) Further provisions regarding the procedures for guidance as referred to in section (1) are regulated by a Governor Regulation.

Part Two

Supervision, Control and Evaluation

Article 40

The Governor supervises, controls and evaluates the implementation of mining business activities carried out by holders of IUP, IPR, IUJP, and special license.

Article 41

Supervision, Control and evaluation as referred to in Article 40 are carried out on:

- a. mining technicalities;
- b. production and marketing;
- c. finance;
- d. minerals and coal data management;
- e. conservation of Mineral and Coal resources;
- f. mining work safety and health;
- g. safety of mining operations;

- h. environmental management, Reclamation, and Post-mining;
- i. use of domestic goods, services, technology, and engineering and design capabilities;
- j. development of mining technical workforce;
- k. development and empowerment of local communities;
- l. mastery, development and application of mining technology;
- m. other activities in the field of mining business activities involving public interests;
- n. implementation of activities in accordance with IUP and IPR; and
- o. the quantity, type and quality of mining products.

Article 42

The Object of Supervision as referred to in Article 41 will be carried out by mining inspector officials and supervisory officials appointed by the Governor.

Article 43

The procedures for carrying out supervision, control and evaluation as referred to in Article 40 are further regulated by a Governor Regulation.

Part Three

Community Protection

Article 44

- (1) IUP holders are obliged to protect the community from negative impacts caused by mining businesses.
- (2) IUP holders must provide appropriate compensation to the community due to mistakes in mining operations in accordance with the provisions of legislation.
- (3) If a dispute arises as a result of the impact and error as referred to in section (1) and section (2), then the settlement is resolved by consensus.

- (4) If the deliberations as referred to in section (3) do not result in consensus, the settlement can be reached by filing a lawsuit through the court.
- (5) Further provisions regarding the procedures for community protection as referred to in section (1) to section (4) are regulated by a Governor Regulation.

Article 45

- (1) Every IUP holder must prepare a planning document and carry out community development and empowerment as a form of corporate social responsibility.
- (2) The development and empowerment efforts as referred to in section (1), are prioritized for people who are around the location of mining operations.
- (3) The procedure for community development and empowerment as referred to in section (1) and section (2) are further regulated in a Governor Regulation.

CHAPTER XIII

RESEARCH AND DEVELOPMENT

Article 46

The Governor encourages, implements, and/or facilitates the implementation of research and development of Minerals and Coal.

CHAPTER XIV

INVESTIGATION

Article 47

- (1) In addition to investigating officials of the Republic of Indonesia National Police, officials of civil servants within the Local Government whose scope of duties and responsibilities in the mining sector are given special authority as investigators in accordance with the provisions of legislation.

- (2) Civil servant investigators as referred to in section (1), are authorized to:
 - a. examine the truth of reports or information relating to criminal offenses in mining business activities;
 - b. conduct examination of persons or entities suspected of committing criminal offenses in mining business activities;
 - c. summon and/or forcibly bring in people to be heard and examined as witnesses or suspects in criminal actions in mining business activities;
 - d. search the premises and/or facilities allegedly used to carry out criminal acts in mining business activities;
 - e. examine the facilities and infrastructure of mining business activities and stop the use of equipment suspected of being used to commit criminal acts;
 - f. seal and/or confiscate mining business activities used to carry out criminal acts as evidence; and/or
 - g. bring in and/or ask for the help of experts needed in connection with the examination of criminal cases in mining business activities.

Article 48

- (1) Civil servant investigators as referred to in Article 47 can help secure perpetrators of criminal acts in mining business activities.
- (2) Investigators of the civil servants as referred to in section (1) notify the commencement of the investigation and submit the results of their investigations to the officials of the Republic of Indonesia National Police in accordance with the provisions of legislation.
- (3) Civil servant investigators as referred to in section (1) are obligated to stop their investigations in the event that there is not enough evidence and/or the event is not a criminal offense.
- (4) The exercise of authority as referred to in section (2) and section (3) is carried out in accordance with the provisions of the legislation.

CHAPTER XV
ADMINISTRATIVE SANCTIONS

Article 49

- (1) Every Business Entity and individual who violates the provisions of Article 17, Article 19 point d, point e, point f, point g, point h, point i, point j, point k, point l, point m, point n , point o, point p, point q, and point r, Article 32 section (2) and Article 33 are subject to administrative sanctions.
- (2) Administrative sanctions as referred to in section (1) can be in the form of:
 - a. written warning;
 - b. temporary cessation of part or all of the exploration or production operation activities in the area of regional authority;
 - c. revocation of IUP according to regional authority;
 - d. issuance of the Governor's recommendation for the temporary suspension of part or all of the exploration or production operation activities in the area of regional authority; and/or
 - e. issuance of the Governor's recommendation to revoke IUP of regional authority.

CHAPTER XVI
CRIMINAL PROVISIONS

Article 50

- (1) Every Business Entity and/or individual who violates the provisions of Article 19 point a, point b, and point c, are subject to a maximum imprisonment of 6 (six) months or a maximum fine of Rp 50,000,000.00 (fifty million rupiah).
- (2) In the event that an act of violation of a Business Entity and/or an individual as referred to in section (1) is carried out intentionally and against the law whose implications are for general criminal acts and/or crime, then the

criminal is subject to punishment in accordance with the provisions of legislation.

CHAPTER XVII
TRANSITIONAL PROVISION

Article 51

At the time this Regional Regulation comes into force:

- a. all minerals and coal IUPs issued before the issuance of this Regional Regulation remain valid until the expiry of the validity of the license granted;
- b. all minerals and coal IUP which are still in the process of licensing, must adjust to the provisions in this regional regulation; and
- c. all Minerals and Coal mining business activities that are not in accordance with this Regional Regulation, must be adjusted not later than 1 (one) year after this Regional Regulation is promulgated.

CHAPTER XVIII
CLOSING PROVISIONS

Article 52

At the time this Regional Regulation comes into force, Regulation of the Province of South Sulawesi Number 5 of 2011 on Minerals and Coal Mining Management (Provincial Gazette of South Sulawesi of 2011 Number 5, Supplement to the Provincial Gazette of South Sulawesi Number 260), is revoked and declared ineffective.

Article 53

This Regional Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Regional Regulation by its placement in the Provincial Gazette of South Sulawesi.

Issued in Makassar
on 31 August 2018

ACTING GOVERNOR OF SOUTH SULAWESI,

signed

SUMARSONO

Promulgated in Makassar
on 31 August 2018

ACTING REGIONAL SECRETARY
OF SOUTH SULAWESI PROVINCE,

signed

TAUTOTO T. R.

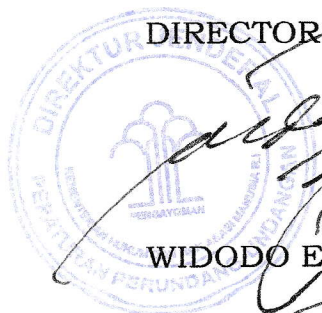
PROVINCIAL GAZETTE OF SOUTH SULAWESI OF 2018 NUMBER 4

Jakarta, 21 September 2020

Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,


WIDODO EKATJAHJANA



ELUCIDATION OF
REGULATION OF THE PROVINCE OF SOUTH SULAWESI
NUMBER 4 OF 2018
ON
MINERALS AND COAL MINING MANAGEMENT

I. GENERAL

Article 33 section (3) of the 1945 Constitution of the Republic of Indonesia confirms that the earth, water and natural resources contained therein are controlled by the State and used for the greatest prosperity of the people. Considering minerals and coal as natural resources contained in the earth are non-renewable natural resources, the management needs to be carried out as optimal as possible, efficient, transparent, sustainable and environmentally sound, and fair so that people can get the maximum benefit sustainably.

Furthermore, the enactment of Law Number 23 of 2014 concerning Regional Government has had implications for the Minerals and Coal Mining management in Indonesia. If previously the regency/city government had the authority, since the enactment of Law Number 23 of 2014, the authority to manage mineral and coal mining has only been shared between the government and the provincial government.

In line with the promulgation of the aforementioned law, it is necessary to restructure the regulations relating to mineral and coal mining businesses including:

1. Mining exploitation granted in the form of a license.
2. Prioritizing the supply of mineral and coal needs for domestic interests to ensure the availability of minerals and coal as raw materials and/or as a source of energy for domestic needs.
3. Implementation and control of mining business activities efficiently and competitively.

4. Increasing the income of local, regional and state communities, as well as creating employment for the greatest prosperity of the people.
5. The issuance of transparent licensing in mineral mining business activities so that the expected business license can be healthier and more competitive.
6. Increasing added value by processing and refining domestic minerals and coal.

To answer all governance issues in the field of energy and mineral resources, especially in the mineral and coal mining sub-sector, it is necessary to formulate a regional regulation which will become a guideline or legal basis for all mineral and coal mining governance activities in South Sulawesi Province.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

The term “principle of legal certainty” means a principle that provides a legal basis in the form of certainty of rights and obligations as well as prohibitions and sanctions that can be imposed on all stakeholders related to the minerals and coal mining management.

Point e

The term “principle of sustainable and environmentally sound” means the principle that has planned to integrate the economic, environmental and socio-cultural dimensions in the overall mineral and coal mining business to realize present and future prosperity.

Article 3

Sufficiently clear.

Article 4

Sufficiently clear.

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Point j

Sufficiently clear.

Point k

The term “Mineral and Coal Resource Balance” means a balance depicting the amount of reserve resources, and the production of minerals and coal in the province of South Sulawesi, including the sea area up to 12 nautical miles.

Point l

Sufficiently clear.

Point m

Sufficiently clear.

Point n

Sufficiently clear.

Point o

Sufficiently clear.

Point p

Sufficiently clear.

Point q

Sufficiently clear.

Point r

Sufficiently clear.

Point s

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Sufficiently clear.

Article 13

Sufficiently clear.

Article 14

The term “individuals” means individuals who do not use heavy equipment or other sophisticated facilities in their mining activities.

Article 15

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

Article 20

Sufficiently clear.

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Article 22

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Article 24

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Article 25

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Article 26

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Article 27

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Article 28

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Article 29

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Article 30

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Article 31

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Article 32

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Article 33

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Article 34

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Article 35

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Article 36

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Article 37

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Article 38

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Article 39

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Article 40

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Article 41

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Article 42

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Article 43

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Article 44

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Article 45

Sufficiently clear.

Article 46

Sufficiently clear.

Article 47

Sufficiently clear.

Article 48

Sufficiently clear.

Article 49

Sufficiently clear.

Article 50

Sufficiently clear.

Article 51

Sufficiently clear.

Article 52

Sufficiently clear.

Article 53

Sufficiently clear.

SUPPLEMENT TO THE PROVINCIAL GAZETTE OF SOUTH SULAWESI
NUMBER 299