



Makarim & Taira S.

Summitmas I, 16th & 17th Fls.
Jl. Jend. Sudirman Kav. 61-62
Jakarta 12190
Indonesia

P: (62-21) 5080 8300, 252 1272
F: (62-21) 252 2750, 252 2751
www.makarim.com

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MINISTRY OF ENERGY AND MINERAL RESOURCES TO REVOKE 32 OF ITS REGULATIONS

On 5 February 2018, the Ministry of Energy and Mineral Resources (“MEMR”) issued Press Release No. 00012.Pers/04/SJI/2018 revoking 32 MEMR regulations to promote the development of investment (“**Press Release**”). According to the Press Release, the revocation of 32 MEMR Regulations is to simplify regulations on the oil and gas, minerals and coal, electric power, renewable energy and energy conservation sectors and the Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) to be in line with the President's instruction to promote investment by reducing the required licenses and regulations to improve business and investment opportunities.

The revoked MEMR Regulations are as follows:

OIL AND GAS

1. Ministry of Mining and Energy Regulation No. 02/1975 on Work Safety at Distribution Pipelines and Fitting Facilities to Transport Oil and Gas outside the Oil and Gas Mining Work Area;
2. MEMR Decree No. 1454 K/30/MEM/2000 on Technical Guidelines on the Implementation of Government Duties in the Oil and Gas Sector;
3. MEMR Regulation No. 0008/2005 on the Incentives to Develop Marginal Oil Fields.
4. MEMR Regulation No. 0044/2005 on the Provision and Distribution of Specific Types of Oil Fuel;
5. MEMR Regulation No. 26/2006 on Oil Fuel for the Empowerment of the Marine Industry;
6. MEMR Regulation No. 02/2008 on The Enforcement of Oil and Gas Domestic Market Obligations by Cooperation Contract Contractors;
7. MEMR Regulation No. 22/2008 on Types of Non-refundable Fees in the Oil and Gas Upstream Sector to Cooperation Contract Contractors;
8. MEMR Regulation No. 06/2010 on Policy Guidelines on Increasing Oil and Gas Production;
9. MEMR Regulation No. 31/2013 on Foreign Manpower;
10. MEMR Regulation No. 22/2016 on the Implementation of the Development of Small Scale Domestic Oil Refineries;
11. MEMR Regulation No.51/2017 on the Development and Management of State Owned Assets in the Oil and Gas Upstream Sector.

ELECTRIC POWER

1. Ministry of Mining and Energy Regulation No. 03.P/451/M.PE/1991 on Electric Power Commitment Requirements;
2. MEMR Regulation No. 33/2008 on The Sales Price for Electric Power Provided by PT Pelayanan Listrik Nasional Batam;
3. MEMR Regulation No. 04/2012 on The Sales Price for Electric Power Provided by PT PLN (Persero) from Small and Medium Scale Renewable Energy Electric Power Plants or Excess Electric Power;
4. Ministry of Mining and Energy Regulation No 02.P/451/M.PE/1991 on the Relationship between Holders of an Electric Power Business Proxy and an Electric Power Business License for Public and Community Purposes.

MINERALS AND COALS

1. Ministry of Mining and Energy Decree No. 2555.K of 1993 on The Allocation of Mining Inspection Executives in the General Mining Sector;
2. Ministry of Mining and Energy Decree No. 1614 of 2004 on Guidelines on Processing KK and PKP2B applications in the Framework of Foreign Capital Investment;
3. Ministry of Mining and Energy Decree No. 134.K/201/MPE/1996 on the Use of Maps, the Clarification of Borderlines and areas of Wilayah KP, KK an PKP2B in the General Mining Sector;
4. Ministry of Mining and Energy Decree No. 135.K/201/MPE/1996 on the Abilities and Capacities of KP, KK and PKP2B Applicants;
5. Ministry of Mining and Energy Decree No. 103.K/008/MPE/1994 on the Supervision of the Implementation of Environmental Management Plans and Environment Monitoring Plans in the Mining and Energy Sectors;
6. Ministry of Mining and Energy Decree No. 620.K/008/MPE/1994 on The Department of Mines and Energy Environmental Impact Assessment Committee;
7. Ministry of Mining and Energy Decree No. 2202.K/201/MPE/1994 on Providing Permits to Investigate in the Framework of Foreign Investment Capital or Domestic Investment Capital in the General Mining Sector.

NEW AND RENEWABLE ENERGY

1. MEMR Regulation No. 13/2012 on Economizing Electric Power Consumption;
2. MEMR Regulation No. 14/2016 on Energy Conservation Business Services;
3. MEMR Regulation No. 19/2015 on Power Purchases from Hydro Power Plants with a maximum capacity of 10 MW by PT PLN (Persero);
4. MEMR Regulation No. 19/2016 on Power Purchases from Photovoltaic Power Plants by PT PLN (Persero);
5. MEMR Regulation No. 21/2016 on Power Purchases from Biomass and Biogas Power Plants by PT PLN (Persero);
6. MEMR Regulation No. 11/2009 on Guidelines on Engaging in Geothermal Activities.

SKK MIGAS

1. Guidelines on Operating Procedures No. 012 of 2007 on the Operation and Maintenance of Oil and Gas Distribution Pipelines;
2. Guidelines on Operating Procedures No. 013 of 2007 on the Operation and Maintenance of Oil Reservoir Tanks;
3. Guidelines on Operating Procedures No.037 of 2017 on the Approval to Produce one Well.

In addition to the above, according to the Press Release there are other regulations that will be revoked in the next two weeks with the hope pf achieving better business.

Nevertheless, until the date of this publication the MEMR has yet to issue the regulations revoking the 32 MEMR regulations as mentioned above. If you have any further queries relating to the Press Release or impacts to your businesses as the result of the Press Release, please do not hesitate to contact us.

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Contacts:

Vincent Ariesta Lie vincent.lie@makarim.com
Yohanes Masengi yohanes.masengi@makarim.com
Adilla Intan adilla.intan@makarim.com