



MINISTER OF ENERGY AND MINERAL RESOURCES

THE REPUBLIC OF INDONESIA

REGULATION OF MINISTER OF ENERGY AND MINERAL RESOURCE

THE REPUBLIC OF INDONESIA

NUMBER: 42 YEAR 2017

REGARDING

**BUSINESS SUPERVISION WITHIN THE BUSINESS ACTIVITY IN THE
ENERGY AND MINERAL RESOURCES SECTOR**

BY THE BLESSING OF THE ONE AND ONLY ALMIGHTY GOD

MINISTER OF ENERGY AND MINERAL RESOURCES

THE REPUBLIC OF INDONESIA

Considering : a. That to carry out the task of administering government affairs in the energy and mineral resources sector, the Minister of Energy and Mineral Resources performs the supervisory functions against

the companies that conducting business in the energy and mineral resources sectors;

b. that in order to improve the supervision of the companies that conducting business activities in the energy and mineral resources sectors, it is necessary to regulate the company conducted by the companies that conducting business activities in the energy and mineral resources sectors;

c. that the provisions of the current legislation have not regulated or fulfilled the supervisory effectiveness of the business carried out by the companies that conducting business in the energy and mineral resources sectors

d. That on the basis of the consideration as referred to in letter a, letter b, letter c, it shall be necessary to stipulate Regulation of Minister of Energy and Mineral Resources regarding Business Supervision within the Business Activity

in the Energy and Mineral Resources Sector;

- In view of :
1. Law Number 22 Year 2001 regarding Oil and Natural Gas (State Gazette of the Republic of Indonesia Year 2001 Number 136, Supplement to State Gazette of the Republic of Indonesia Number 4152);;
 2. Law Number 4 Year 2009 regarding Mineral and Coal Mining (State Gazette of the Republic of Indonesia Year 2009 Number 4, Supplement to State Gazette of the Republic of Indonesia Number 4959);
 3. Law Number 30 Year 2009 regarding Electricity (State Gazette of the Republic of Indonesia Year 2009 Number 133, Supplement to the State Gazette of the Republic of Indonesia Number 5052);
 4. Law Number 21 Year 2014 regarding Geothermal (State Gazette of the Republic of Indonesia Year 2014 Number 217, Supplement to the State Gazette of the Republic of Indonesia Number 5585);

5. Government Regulation Number 35 Year 2004 regarding Oil and Natural Gas Upstream Business Activities (State Gazette of the Republic of Indonesia Year 2004 Number 123, Supplement to State Gazette of the Republic of Indonesia Number 4435) as amended several times and most recently by Government Regulation Number 55 Year 2009 regarding Second Amendment to the Government Regulation Number 35 Year 2009 regarding Oil and Natural Gas Upstream Business Activities (State Gazette of the Republic of Indonesia Year 2009 Number 128, Supplement to the State Gazette of the Republic of Indonesia Number 5047);

6. Government Regulation Number 36 Year 2004 regarding Oil and Natural Gas Downstream Business Activities (State Gazette of the Republic of Indonesia Year 2004 Number 124, Supplement to State Gazette of the Republic of Indonesia Number 4436) as amended by Government Regulation Number 30 Year 2009 regarding Amendment to the Government Regulation Number 36 Year 2004

regarding Oil and Natural Gas Downstream Business Activities (State Gazette of the Republic of Indonesia Year 2009 Number 59, Supplement to the State Gazette of the Republic of Indonesia Number 4996);

7. Government Regulation Number 23 Year 2010 regarding Realization 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 several times amended lastly by Government Regulation Number 1 Year 2017 regarding the Fourth Amendment to Government Regulation Number 23 Year 2010 regarding The realization 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);

8. Government Regulation Number 14 Year 2012 regarding Business Activities for the Electric Power Provision (State Gazette of

the Republic of Indonesia Year 2012 Number 28, Supplement to the State Gazette of the Republic of Indonesia Number 5281) as amended by Government Regulation Number 23 Year 2014 regarding Amendment to the Government Regulation Number 14 Year 2012 regarding Business Activities for the Electric Power Provision (State Gazette of the Republic of Indonesia Year 2014 Number 75, Supplement to the State Gazette of the Republic of Indonesia Number 5530);

9. Government Regulation Number 7 Year 2017 regarding Geothermal Energy for Indirect Utilization (State Gazette of the Republic of Indonesia Year 2017 Number 30, Supplement to the State Gazette of the Republic of Indonesia Number 6023);

10. Presidential Regulation Number 68 Year 2015 regarding 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 Amendment to the Presidential Regulation

Number 68 Year 2015 regarding Ministry of Energy and Mineral Resources (State Gazette of the Republic of Indonesia Year 2016 Number 289);

11. Regulation of Minister of Energy and Mineral Resources Number 13 Year 2016 regarding Organization and Work Procedures of Ministry of Energy and Mineral Resources (State Gazette of the Republic of Indonesia Year 2016 Number 782);

12. Regulation of Minister of Energy and Mineral Resources Number 26 Year 2016 regarding Provision and Utilization of Biofuels Type of Biodiesel in Financing Framework by the Fund Management Board of Oil Palm Plantation (State Gazette of the Republic of Indonesia Year 2016 Number 1508);

13. Regulation of Minister of Energy and Mineral Resources Number 10 Year 2017 regarding Main Provisions for Power Sale and Purchase Agreements (State Gazette of

the Republic of Indonesia Year 2017 Number 151);

14. Regulation of Minister of Energy and Mineral Resources Number 29 Year 2017 regarding Licensing in Oil and Natural Gas Business Activities (State Gazette of the Republic of Indonesia Year 2017 Number 569);

15. Regulation of Minister of Energy and Mineral Resources Number 34 Year 2017 regarding Licensing in Mineral and Coal Mining (State Gazette of the Republic of Indonesia Year 2017 Number 668);

HEREBY DECIDES:

Stipulates : REGULATION OF MINISTER OF ENERGY AND MINERAL RESOURCES REGARDING BUSINESS SUPERVISION WITHIN THE BUSINESS ACTIVITY IN THE ENERGY AND MINERAL RESOURCES SECTOR

GENERAL PROVISIONS

Article 1

In this Regulation of Minister, the following definitions shall be given to the following terms:

1. The Contractor of the Cooperation Agreement, hereinafter referred to as Contractor, is a permanent business entity that runs its business in exploring and exploiting a working area under a cooperation contract with a Special Task Force for Upstream Oil and Gas Management.
2. Electricity Supply Business Permit, hereinafter referred to as IUPTL, is a permit given to electricity supply business for general affairs.
3. Mining Business License, hereinafter referred to as IUP, is a permit for running a mining business.
4. Special Mining License, hereinafter referred to as IUPK, is a permit for running a mining business in a special area of mining business.
5. A special operation of Production IUP for processing and/or purification is a business permit granted to purchase, transport, process, and purify, as well as to sell the mineral and coal commodity produced from the mining.
6. Contract of Work, hereinafter referred to as KK, is an agreement between the Government of the Republic of

Indonesia and an Indonesian legal entity to perform mineral mining business activities.

7. Coal Mining Business Work Agreement, hereinafter referred to as PKP2B is an agreement between the government of the Republic of Indonesia and an Indonesian legal entity to runs coal mining business activities.
8. Geothermal Permitting, hereinafter referred to as as IPB, is a permit to perform geothermal business for indirect utilization on a temporary working area.
9. Legal Entity is a company in the form of a legal entity that runs its permanent, continuous business, which was established under the provisions of legislations and works and is located in the territory of the Republic of Indonesia.
10. Control is either a direct or indirect ownership by a master company in one level on top of the company through the majority ownership of share that has a voting right, in case the company is a share issuer, or the majority ownership of rights or interests to control if the company is not a share issuer or an agreement of appointment as a controller by the share/interest holders.
11. Participation of interests is a right, interest, and liability of the Contractor under a cooperation contract.

12. Biodiesel, hereinafter referred to as BBN, is a product of Fatty Acid Methyl Ester (FAME).
13. Oil Fuel Business Entity, hereinafter referred to Oil Fuel Business Entity, is a Business Entity that has obtained a business permit to perform a general trading business of solar fuel.
14. Oil Palm Plantation Management Body, hereinafter referred to as Fund Management Body, is a body established by the government to collect, administrate, manage, store, and distribute biodiesel financing fund.
15. Minister is a Minister who implements governmental affairs in the sector of energy and mineral resources.
16. Special Task Force for Upstream Oil and Gas Management, hereinafter referred to as Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas), is a task force which is specially assigned to manage upstream oil and gas business under the supervision, coordination, and monitoring of the Minister.

Article 2

The scope of this Regulation of Minister shall include:

- a. The grant of approval of changes in the company ownership and management, which covers:
 1. The transfer of participation of interest and/or transfer of share; and
 2. Changes on the board of directors and/or commissioners.

- b. Mechanism of Biodiesel Fuel provision.

CHAPTER II

OIL AND GAS

First Section

Upstream Oil and Gas Management

Paragraph 1

Transfer of Participation of Interest

Article 3

- (1) In case of a transfer of either a part or an entire Participation of Interest to another party, the Contractor should obtain prior approval from the Minister under the consideration of the Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas).

- (2) It is prohibited for the Contractor to transfer the majority of Participation of Interest to a party that is not its affiliate for a period of the first 3 (three) years of the exploration.
- (3) Besides the provisions in paragraph (2), the Contractor could transfer the Participation of Interest after the first 3 (three) years of the exploration period.
- (4) In order to obtain the approval as referred to in paragraph (1), the Contractor should propose a written proposal to the Minister via the Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) by attaching the following documents:
- a. A copy of agreement of the parties on the transfer of interest (deed assignment);
 - b. A copy of the deed of establishment of the receiver of the interest;
 - c. A copy of the list of shareholders of the receiver of interest;
 - d. A company profile of the interest receiver and/or a company profile of the master receiver of the interest;
 - e. A financial statement of the last 3 (three) years of the interest receiver which has been audited by a public accountant;

- f. A report of the quantitative equivalent of the interest percentage, which is transferred and signed by both of the parties;
- g. An SPA (Sale Purchasing Agreement) or a similar document that regulates the transaction of the interest transfer;
- h. A permit to release data;
- i. An agreement of data confidentiality;
- j. A structure of organization of the interest receiver; and
- k. An Annual Income Tax Return of the interest receiver for the last 2 (two) years and the Taxpayer Identity Number of the interest receiver and the management of the interest receiver.

Article 4

- (1) The Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) shall perform an evaluation on the proposal referred to in Article 3.
- (2) Based on the results of the evaluation referred to in paragraph (1), the Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) shall tell his considerations to the Minister in no later than 14

(fourteen) working days commencing from the approval of the complete and valid request.

(3) The Minister shall grant his approval or refusal upon the request of Participation of Interest transfer in no later than 14 (fourteen) working days commencing from the delivery of the consideration of the Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) as referred to in paragraph (2).

(4) In case of a refusal, it shall be informed in writing along with the reasons for such refusal to the applicant via the Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas).

Article 5

The provisions regarding with 10% (ten percent) transfer of the Participation of Interest after the approval of the first field expansion shall be regulated separately in a provision of a Regulation of Minister on 10% Participating Interest Offer Provisions to the Oil and Gas Working Area.

Paragraph 2

Transfer of Share

Article 6

- (1) A transfer of the Contractor's shares that results in a direct change in Management shall obtain prior approval from the Minister based on the considerations of the Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas).
- (2) A transfer of shares that results in a direct Management change as referred to in paragraph (1) shall only be possible to be performed to an affiliate.
- (3) In order to obtain the approval as referred to in paragraph (1), the Contractor should propose a written request to the Minister via Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) by attaching:
 - a. A copy of the parties' agreement on the change of Management;
 - b. A copy of article of associations of the new management;
 - c. A copy of the list of shareholders of the new management, which include:
 1. Register shareholders;
 2. Ultimate shareholders.

- d. The company profile of the new management and/or the company profile of the new master company of the management;
- e. A financial statement for the last 3-(three) year period that has been audited by a public accountant;
- f. A report of the quantitative equivalent of the interest percentage, which is transferred and signed by both of the parties;
- g. An SPA (Sale Purchasing Agreement) or a similar document that regulates the transaction of the share transfer;
- h. The organizational structure of the new management; and
- i. An Annual Income Tax Return of the interest receiver for the last 2 (two) years and the Taxpayer Identity Number of the new management and the managers of the new management.

Article 7

- (1) The Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) shall perform an evaluation on the request as referred to in Article 6.

- (2) Based on the results of the evaluation as referred to in paragraph (1), the Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) presents his considerations to the Minister in a period of no later than 14 (fourteen) working days commencing from the reception of the complete and valid request.
- (3) The Minister shall grant his approval or refusal upon the request for the transfer of share in no later than 14 (fourteen) working days commencing from the delivery of the consideration of the Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) as referred to in paragraph (2).
- (4) In case of a refusal, it shall be informed in writing along with the reasons for such refusal to the applicant via the Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas).

Article 8

If the transfer of share results in an indirect change of Control, the Contractor shall provide a written report to the Minister via the Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas).

Article 9

Based on the approval as referred to in Article 7, the Contractor shall propose for approval, validation, records, or other forms to the Capital Investment Coordination Board and/or Ministry of Law and Human Rights in accordance with the provisions of the legislations.

Paragraph 3

Changes in the Board of Directors and/or Commissioners

Article 10

- (1) In case of a change in the board of directors and/or commissioners, the Contractor should obtain a prior approval from the Minister based on the considerations of the Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas).
- (2) In order to obtain an approval as referred to in paragraph (1), the Contractor shall propose a written request to the Minister via the Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) by attaching the following documents:
 - a. A copy of the resolutions of General Meetings of Shareholders;

- b. Identities/profiles of the new board of directors and/or the board of commissioners, which include the copies of National Identity Card for Indonesian Citizens, or copies of passports for Foreign Citizens; and/or
- c. The Annual Income Tax Return of the last 2 (two) years and the Taxpayer Identity Numbers of the new directors and/or commissioners.

Article 11

- (1) The Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) shall perform an evaluation upon the request as referred to in Article 10.
- (2) The Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) shall deliver his considerations to the Minister in no later than 14 (fourteen) working days commencing from the complete and valid reception of the request based on the results of such evaluation as referred to in paragraph (1).
- (3) The Minister shall give his approval or refusal on such request of change of directors and/or commissioners in no later than 14 (fourteen) working days commencing from the reception of the complete and valid considerations of the

Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas) as referred to in paragraph (2).

- (4) If the request is refused, the refusal shall be delivered in writing along with its reasons to the applicant via the Head of Special Task Force for Upstream Oil and Gas Business Activities (SKK Migas).

Second Section

Downstream Oil and Gas Management

Paragraph 1

Transfer of Share

Article 12

- (1) A transfer of the majority shares of a Legal Entity shall obtain a prior approval of the Minister.
- (2) In order to obtain the approval as referred to in paragraph (1), a Legal Entity shall propose a written request to the Minister via the Director General of Oil and Gas by attaching the following documents:
 - a. A copy of the parties' agreement on a share transfer;
 - b. A copy of the resolutions of General Meetings of Shareholders;

- c. A copy of the deed of the incorporation of the majority share receiver;
- d. A copy of the list of shareholders of the majority share receiver;
- e. The company profile of the majority share receiver;
- f. A financial statement of the majority share receiver for the last 3 (three) years, which has been audited by a public accountant;
- g. A report of a quantitative equivalent value to the share percentage which is transferred and signed by both parties;
- h. SPA (Sale Purchasing Agreement) or a similar document that stipulates the transaction of the share transfer;
- i. The organizational structure of the majority share receiver; and
- j. An Annual Income Tax Return of the majority share receiver for the last 2 (two) years and the Taxpayer Identity Number of the majority share receiver and the managers of the majority share receiver.

Article 13

- (1) Director General of Oil and Gas shall perform an evaluation of the request as referred to in Article 12.

- (2) The Minister shall provide his approval or refusal for the request of share transfer in no later than 14 (fourteen) business days commencing from the reception of the complete and valid request based on the results of the evaluation as referred to in paragraph (1).

- (3) If the request is refused, the refusal shall be delivered in writing along with its reasons to the applicant via the Director General of Oil and Gas.

Article 14

According to the approval as referred to in Article 13, the Business Entity shall propose for an approval, validation, record, or other forms to the Capital Investment Coordination Board and/or the Ministry of Law and Human Rights in accordance with the provisions of the legislations.

Paragraph 2

Changes of Directors and/or Commissioners

Article 15

- (1) A Business Entity that intends to perform a change on of directors and/or commissioners shall obtain a prior approval from the Minister.

- (2) In order to obtain the approval as referred to in paragraph (1), a Business Entity shall propose a written request to the Minister through the Director General of Oil and Gas by attaching:
- a. A copy of the resolutions of General Meetings of Shareholders;
 - b. Identities/profiles of the new directors and/or commissioners along with the copies of National Identity Cards for Indonesian Citizens or the copies of passports for Foreign Citizens; and/or
 - c. An Annual Income Tax Return for the last 2 (two) years and the Taxpayer Identity Cards of the new directors and/or commissioners.

Article 16

- (1) The Director General of Oil and Gas shall perform an evaluation upon the request as referred to in Article 15.
- (2) Based on the results of the evaluation referred to in paragraph (1), the Minister shall provide his approval or refusal for the request of changes of directors and/or commissioners in no later than 14 (fourteen) working days

commencing from the reception of the complete and valid request.

- (3) If the request is refused, the refusal shall be delivered in writing along with its reasons to the applicant via the Director General of Oil and Gas.

CHAPTER III

ELECTRICAL POWER

First Section

Transfer of Share

Article 17

- (1) The transfer of share owned by IUPTL holders shall obtain prior approval from the Minister.
- (2) The share transfer referred to in paragraph (1) shall be performed under the following conditions:
 - a. The power plant has reached its Commercial Operation Date; or
 - b. The transfer is performed to an affiliate of which 90 % (ninety percent) of its shares are owned by a sponsor who intends to perform a share transfer.

(3) The share referred to in paragraph (2) point b can only be transferred to a one-leveled lower business entity.

(4) In order to obtain the approval as referred to in paragraph (1), the IUPTL holder shall propose a written proposal to the Minister via the Director General of Electricity by completing:

a. Administrative requirements, which include:

1. Application letter;
2. Reasons of share transfer
3. A copy of the resolutions of General Meetings of Shareholders;
4. The latest/newest article of associations that has been validated by the minister who performs governmental affairs in law and human rights;
5. A copy of a valid IUPTL;
6. An approval from the electricity purchaser;
7. A duly stamped statement regarding the validity of the document being delivered; and
8. A digital copy of required documents for the request.

b. Financial requirements including:

1. Annual Income Tax Return for the last 2 (two) years and the Taxpayer Identification Number of the share transfer receiver; and

2. Financial statement of the share transfer receiver for the last 2 (two) years which has been audited by a public accountant.

Article 18

- (1) Director General of Electricity shall perform an evaluation upon the request of share transfer as referred to in Article 17.
- (2) The Minister shall provide his approval or refusal for such share transfer request in no later than 14 (fourteen) working days commencing from the reception of a complete and valid request.
- (3) If the request is refused, the refusal shall be delivered in writing along with its reasons to the applicant via the Director General of Electricity.

Article 19

Under the approval referred to in Article 18, the IUPTL holder shall propose for an approval, validation, record, or other forms to the Capital Investment Coordination Board and/or the Ministry of Law and Human Rights in accordance with the provisions of legislations.

Second Section

Changes in the Board of Directors and/or Commissioners

Article 20

- (1) An IUPTL holder that intends to perform a change in directors and/or commissioners shall obtain a prior approval from the Minister.
- (2) In order to obtain the approval as referred to in paragraph (1), an IUPTL holder shall propose a written request to the Minister via the Director General of Electricity by attaching:
 - a. Letter of application;
 - b. A copy of resolutions of General Meetings of Shareholders;
 - c. The latest/newest article of associations that has been validated by the minister who performs governmental affairs in law and human rights;
 - d. Identities/profiles of the new board of directors and/or the board of commissioners, which include the copies of National Identity Card for Indonesian Citizens, or copies of passports for Foreign Citizens;
 - e. Annual Income Tax Return for the last 2 (two) years and the Number of Taxpayer Identification Number of the new directors and/or commissioners; and

f. A recommendation from an electricity purchaser.

Article 21

- (1) The Director General of Electricity shall perform an evaluation upon the request as referred to in Article 20.
- (2) The Minister shall grant his approval or refusal upon the request of Participation of Interest transfer in no later than 14 (fourteen) working days commencing from the reception of a complete and valid request based on the results of evaluation referred to in paragraph (1).
- (3) If the request is refused, the refusal shall be delivered in writing along with its reasons to the applicant via the Director General of Electricity.

Article 22

Under the approval referred to in Article 21, the IUPTL holder shall propose for an approval, validation, record, or other forms to the Capital Investment Coordination Board and/or the Ministry of Law and Human Rights in accordance with the provisions of legislations.

CHAPTER IV

MINERAL AND COAL

First Section

Transfer of Share

Article 23

- (1) Share transfer from a holder of Mining Business License (IUP) or Mining Business License (IUP) of Special Production Operation for processing and/or purification established by the Minister, Special Mining Business License (IUPK), Contract of Work (KK), or Contract of Work Agreement for Coal Mining Concession (PKP2B) shall be performed under the provisions of the legislations.
- (2) Share transfer from a holder of Mining Business License (IUP) or Mining Business License (IUP) of Special Production Operation for processing and/or purification established by the Minister, Special Mining Business License (IUPK), Contract of Work (KK), or Contract of Work Agreement for Coal Mining Concession (PKP2B) shall obtain a prior approval from the Minister.
- (3) In order to obtain the approval referred to in paragraph (2), a holder of Mining Business License (IUP) or Mining Business License (IUP) of Special Production Operation for processing and/or purification established by the Minister, Special Mining Business License (IUPK), Contract

of Work (KK), or Contract of Work Agreement for Coal Mining Concession (PKP2B) shall propose a written request to the Minister via the Director General of Mineral and Coal by completing:

a. Administrative requirements, which include:

1. A letter of application that is signed by a Director listed in the Directorate General of Mineral and Coal;
2. Reasons of share transfer;
3. A copy of the resolutions of the General Meeting of Shareholders;
4. The latest/newest article of associations that has been validated by the minister who performs governmental affairs in law and human rights;
5. A copy of Clear and Clean IUP established by the Directorate General of Mineral and Coal for an IUP holder, which requires a Clear and Clean status under the provisions of legislations;
6. A copy of Production Operation IUP special for processing and/or purification for a holder of a Mining Business License (IUP) of Special Production Operation for processing and/or purification;

7. Share sale plan;
8. Identity/profile of the share transfer receiver along with:
 - a) A copy of the deed of incorporation and/or the latest/newest article of associations that is validated by the minister who performs governmental affairs in the fields of law and human rights, Company Registration Number, and Taxpayer Identification Number of the company; and/or
 - b) Copies of National Identity Card for Indonesian Citizens, or copies of passports for Foreign Citizens
9. A duly stamped statement regarding the validity of the document being delivered; and
10. A digital copy of required documents for the request

b. Financial requirements which include:

1. Annual Income Tax Return for the last 2 (two) years for a holder of Mining Business License (IUP), Special Mining Business License (IUPK), Mining Business License (IUP) of Special Production Operation for processing and/or

purification, Contract of Work (KK), or Contract of Work Agreement for Coal Mining Concession (PKP2B);

2. A financial statement for the last 2 (two) years that has been audited by an accountant public who holds an Mining Business License (IUP), Special Mining Business License (IUPK), Mining Business License (IUP) of Special Production Operation for processing and/or purification, Contract of Work (KK), or Contract of Work Agreement for Coal Mining Concession (PKP2B);
3. Non-tax state payment slip recorded in Online PNPB Information System (SIMPONI);
4. Annual Income Tax Return of the share transfer receiver for the last 2 (two) year period and the Taxpayer Identification Number; and
5. Financial statement of the share transfer receiver for the last 2 (two) years period that has been audited by a public accountant.

Article 24

- (1) Director General of Mineral and Coal performs an evaluation upon the request as referred to in Article 23.

- (2) The Minister shall provide his approval or refusal for the share transfer request in no later than 14 (fourteen) working days commencing from the reception of a complete and valid request based on the results of the evaluation referred to in paragraph (1).
- (3) If the request is refused, the refusal and its reasons shall be delivered in writing to the applicant via the Director General of Mineral and Coal.

Article 25

Based on the approval as referred to in Article 24, the holder of IUP or Mining Business License (IUP) of Special Production Operation for processing and/or purification that issued by the Minister, Special Mining Business License (IUPK), Contract of Work (KK), or Contract of Work Agreement for Coal Mining Concession (PKP2B) shall propose for approval, validation, records, or other forms to the Capital Investment Coordination Board and/or Ministry of Law and Human Rights in accordance with the provisions of the legislations.

Second Section

Changes of Directors and/or Commissioners

Article 26

(1) A holder of IUP or Mining Business License (IUP) of Special Production Operation for processing and/or purification established by the Minister, Special Mining Business License (IUPK), Contract of Work (KK), or Contract of Work Agreement for Coal Mining Concession (PKP2B) shall obtain a prior approval from the Minister if he intends to perform any changes of directors and/or commissioners.

(2) In order to obtain the approval as referred to in paragraph (1), a holder of IUP or Mining Business License (IUP) of Special Production Operation for processing and/or purification established by the Minister, Special Mining Business License (IUPK), Contract of Work (KK), or Contract of Work Agreement for Coal Mining Concession (PKP2B) shall propose a written request to the Minister via the Director General of Mineral and Coal by completing:

a. Administrative requirements, which include:

1. An application letter signed by a Director listed in the Directorate General of Mineral and Coal;
2. Reasons for the changes of directors and/or commissioners;
3. A copy of the resolutions of General Meetings of Shareholders;

4. The latest/newest article of associations that has been validated by the minister who performs governmental affairs in law and human rights;
5. A copy of Clear and Clean IUP established by the Directorate General of Mineral and Coal for an IUP holder, which requires a Clear and Clean status under the provisions of legislations;
6. A copy of special Production Operation IUO for processing and/or purification of the holder of Mining Business License (IUP) of Special Production Operation for processing and/or purification;
7. Identities/profiles of the new directors and/or commissioners along with the copies of National Identity Cards for Indonesian Citizens or passports for Foreign Citizens;
8. A duly stamped statement about the validity of the documents; and
9. Digital copies of the required documents for the request.

b. Financial requirements, which include:

1. Annual Income Tax Return for the last 2 (two) years of the holder of IUP, IUPK, Mining Business License (IUP) of Special Production Operation for processing and/or purification, KKM or PKP2B;

2. Financial statement of the last 2 (two) years which has been audited by a public accountant who holds an Mining Business License (IUP), Special Mining Business License (IUPK), Mining Business License (IUP) of Special Production Operation for processing and/or purification, Contract of Work (KK), or Contract of Work Agreement for Coal Mining Concession (PKP2B);
3. Non-tax state payment slip recorded in Online PNPB Information System (SIMPONI);
4. Annual Income Tax Return of the share transfer receiver for the last 2 (two) year period and the Taxpayer Identification Number of the new directors and/or commissioners.

Article 27

- (1) Director General of Mineral and Coal shall perform an evaluation upon the request referred to in Article 26.
- (2) Based on the results of the evaluation referred to in paragraph (1), the Minister shall provide his approval or refusal for the request for a change in directors and/or commissioners in no later than 14 (fourteen) days commencing from the reception date of a complete and valid request.

(3) If the request is refused, the refusal shall be delivered in writing along with its reasons to the applicant via the Director General of Mineral and Coal.

Article 28

Based on the approval as referred to in Article 27, a holder of Mining Business License (IUP) or Mining Business License (IUP) of Special Production Operation for processing and/or purification issued by the Minister, Special Mining Business License (IUPK), Contract of Work (KK), or Contract of Work Agreement for Coal Mining Concession (PKP2B) shall propose for approval, validation, records, or other forms to the Capital Investment Coordination Board and/or Ministry of Law and Human Rights in accordance with the provisions of the legislations.

CHAPTER V

GEOHERMAL

First Section

Share Transfer

Article 29

- (1) The share transfer of an IPB holder shall be performed in accordance with the provisions of the legislations.
- (2) The share transfer of an IPB holder shall obtain a prior approval from the Minister.
- (3) In order to obtain the approval as referred to in paragraph (2), an IPB holder shall apply a written request to the Minister via the Director General of New Renewable Energy and Energy Conservation by completing:
 - a. Administrative requirements, which include:
 1. Application letter;
 2. Reasons of the share transfer;
 3. A copy of the resolutions of General Meetings of Shareholders;
 4. The latest/newest article of associations that has been validated by the minister who performs governmental affairs in the fields of law and human rights;
 5. A copy of IPB;
 6. Share sale planning;
 7. Identity/profile of the share transfer receiver along with:

- a) A copy of the deed of incorporation and/or the latest/newest article of associated which is validated by the minister who performs governmental affairs in the fields of law and human rights, Company Registration Number, and Taxpayer Identification Number of the company; and/or
- b) Copies of National Identity Cards for Indonesian Citizens or copies of passports for Foreign Citizens.

8. A duly stamped statement about the validity of the delivered documents; and

9. Digital copies of the required documents for the request.

b. Financial requirements, which include:

- 1. Annual Income Tax Return for the last 2 (two) years and the Taxpayer Identification Number of the share IPB holder;
- 2. Financial statement of the IPB holder for the last 2 (two) years which has been audited by a public accountant;
- 3. Receipt of the prescribed fee payment for the last 1 (one) year of the IPB holder;

4. Receipt of the production fee payment for the last 1 (one) year for an IPB holder who has commercially operated (Commercial Operation Date) on the first unit;
5. Receipt of production bonus payment for the last 1 (one) year for an IPB holder who has a commercial operation (Commercial Operation Date) on the first unit;
6. Annual Income Tax Return of the share transfer receiver for the last 2 (two) years and the Taxpayer Identification Number; and
7. Financial statement of the share transfer receiver for the last 2 (two) years which has been audited by a public accountant.

Article 30

- (1) Director General of New Renewable Energy and Energy Conversion shall perform an evaluation upon the request as referred to in Article 29.
- (2) The Minister shall give his approval or refusal on such request of share transfer in no later than 10 (ten) working days commencing from the reception of the complete

and valid request based on the results of the evaluation referred to in paragraph (1).

- (3) If the request is refused, the refusal shall be delivered in writing along with its reasons to the applicant via the Director General of New Renewable Energy and Energy Conservation.

Article 31

Based on the approval as referred to in Article 30, an IPB holder shall propose for approval, validation, records, or other forms to the Capital Investment Coordination Board and/or Ministry of Law and Human Rights in accordance with the provisions of the legislations.

Second Section

Changes of Directors and/or Commissioners

Article 32

- (1) In performing any changes of directors and/or commissioners, an IPB holder shall obtain a prior approval from the Minister.
- (2) In order to obtain the approval as referred to in paragraph (1), an IPB holder shall propose a written

request to the Minister via the Director General of New Renewable Energy and Energy Conservation by completing:

a. Administrative requirements, which include:

1. Application letter;
2. Reasons of changes of directors and/or commissioners;
3. A copy of the resolutions of General Meetings of Shareholders;
4. The latest/newest article of associations that has been validated by the minister who performs governmental affairs in law and human rights;
5. A copy of the IPB;
6. Identities/profiles of the new directors and/or commissioners along with copies of National Identity Cards for Indonesian Citizens or passports of Foreign Citizens;
7. A duly stamped statement regarding the validity of the document being delivered; and
8. Digital copies of the required documents for the request.

b. Financial requirements including:

1. Annual Income Tax Return for the last 2 (two) years of the IPB holder; and

2. Financial statement of the IPB holder for the last 2 (two) years which has been audited by a public accountant;
3. Receipt of the prescribed fee payment of the IPB holder for the last 2 (two) years;
4. Receipt of the production fee payment for the last 1 (one) year for an IPB holder who has commercially operated (Commercial Operation Date) on the first unit;
5. Receipt of production bonus payment for the last 1 (one) year for an IPB holder who has a commercial operation (Commercial Operation Date) on the first unit;
6. Annual Income Tax Return for the last 2 (two) years and the Taxpayer Identification Numbers of the new directors and/or commissioners.

Article 33

- (1) Director General of New Renewable Energy and Energy Conservation shall perform an evaluation upon the request as referred to in Article 32.
- (2) The Minister shall grant his approval or refusal for the request of director and/or commissioner changes in no later than 10 (ten) working days commencing from the

reception of a complete and valid request based on the results of the evaluation as referred to in paragraph (1).

- (3) If the request is refused, the refusal shall be delivered in writing along with its reasons to the applicant via the Director of New Renewable Energy and Energy Conservation.

Article 34

Based on the approval as referred to in Article 33, an IPB holder shall propose for approval, validation, records, or other forms to the Capital Investment Coordination Board and/or Ministry of Law and Human Rights in accordance with the provisions of the legislations.

Third Section

Mechanism of Biodiesel Fuel Provision

Article 35

- (1) A Biodiesel Fuel provider who will runs business in Biodiesel Fuel provision shall be registered in Oil Fuel Business Entities in no later than 5 (five) working days commencing from the announcement of Biodiesel Fuel provision given by Oil Fuel Business Entities.

- (2) The Oil Fuel Business Entities referred to in paragraph (1) shall give their proposal to the Minister via the Director of New Renewable Energy and Energy Conservation regarding Biodiesel Fuel Business Entities who are registered to run their businesses in providing Biodiesel Fuel.
- (3) The Director General of New Renewable Energy and Energy Conservation shall file his reports to the Minister regarding the lists of Biodiesel Fuel Business Entities who are registered for providing Biodiesel Fuel as referred to in paragraph (2).
- (4) On behalf of the Minister, the Director General of New Renewable Energy and Energy Conservation shall appoint Biodiesel Fuel Provision Evaluation Team to perform evaluations and appraisals, and give recommendations based on the proposal of the Oil Fuel Business Entities referred to in paragraph (2) regarding:
 - a. Biodiesel Fuel Business Entities that are entitled to provide Biodiesel Fuel; and
 - b. Volume of Biodiesel Fuel of each Biodiesel Fuel Business Entity of which amount is stipulated via a pro rate basis and based on the principles of transparency, effectiveness, efficiency, justice, and continuity.

- (5) In performing the evaluation referred to in paragraph (4), the Biodiesel Fuel Provision Evaluation Team may ask a Biodiesel Fuel Business Entity to provide explanations regarding its capability and commitment in fulfilling the provisions of Biodiesel Fuel provision.
- (6) The Biodiesel Fuel Provision Evaluation Team delivers the evaluation and appraisal results, as well as the recommendations referred to in paragraph (4) to the Director General of New Renewable Energy and Energy Conservation.
- (7) The Director General of New Renewable Energy and Energy Conservation shall deliver the evaluation results and recommendations of the Biodiesel Fuel Provision Evaluation Team as referred to in paragraph (4) to the Minister in order to obtain his approval.
- (8) The Minister approves and stipulates:
 - a. Biodiesel Fuel Business Entities which are entitled to run businesses in the field of Biodiesel Fuel provision; and
 - b. Allocation of Biodiesel Fuel volume of each Biodiesel Fuel Business Entity.
- (9) The stipulation of Biodiesel Fuel Business Entities and Biodiesel Fuel volume allocation referred to in paragraph

(8) shall be delivered by the Director General of New Renewable Energy and Energy Conservation to:

a. Oil Fuel Business Entities; and

b. Fund Management Institution.

(10) The stipulation of Biodiesel Fuel Business Entities and allocation of Biodiesel Fuel volume as referred to in paragraph (8) shall be announced by the Director General of New Renewable Energy and Energy Conservation in public in no later than 14 (fourteen) working days commencing from the date of stipulation.

(11) The stipulation of Biodiesel Fuel Business Entities and the allocation of Biodiesel Fuel as referred to in paragraph (8) shall be the basis for a direct appointment that can be implemented by Oil Fuel Business Entities.

Article 36

The direct appointment as referred to in paragraph (11) of Article 35 shall be followed up by a contract or Work Order signing between a Biodiesel Fuel Business Entity and an Oil Fuel Business Entity in no later than 14 (fourteen) working days commencing from the stipulation of the Minister.

Article 37

A Fund Management Institution shall enter into an agreement with a Biodiesel Fuel Business Entity which is validly assigned by an Oil Fuel Business Entity regarding with the provision and utilization of biodiesel fuel in the form of a financing framework by the Fund Management Institution.

CHAPTER VI

PROVISIONS OF TRANSFER

Article 38

On the effective date of this Regulation of Minister:

1. Approvals for Interest Participation transfer, share transfer, as well as changes of directors and/or commissioners, which were granted prior to the effective date of this Regulation of Minister, shall remain valid.
2. The stipulation of Biodiesel Fuel Business Entities and Allocation of Biodiesel Fuel volume that was released before the effective date of this Regulation of Minister shall remain valid until its date of expiration.

Article 39

On the effective date of this Regulation of Minister, a request for Interest Participation transfer, share transfer,

as well as changes of directors and/or commissioners that has been applied before the effective date of this Regulation of Minister shall be processed under the provisions of this Regulation of Minister.

CHAPTER VII

CLOSING PROVISIONS

Article 40

On the effective date of this Regulation of Minister:

1. Regulation of Minister of Energy and Mineral Resources Number 26 Year 2016 regarding Provision and Utilization of Biofuels Type of Biodiesel in Financing Framework by the Fund Management Board of Oil Palm Plantation (State Gazette of the Republic of Indonesia Year 2016 Number 1508) to the extent regulating the mechanism of Biodiesel Fuel Provision;
2. Regulation of Minister of Energy and Mineral Resources Number 34 Year 2017 Licensing in Mineral and Coal Mining (State Gazette of the Republic of Indonesia Year 2017 Number 668) to the extent regulating share transfer and changes of directors and/or commissioners which become the Minister authority,

shall be revoked and declared null and void.

Article 41

This Ministerial Regulation shall become effective as from the date of enactment.

In order to make known to all citizens, it is hereby order to promulgate the enactment of this Ministerial Regulation in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta

On the date of 14 July 2017

MINISTER OF ENERGY AND MINERAL RESOURCES
THE REPUBLIC OF INDONESIA,

[signed]

IGNASIUS JONAN

Enacted in Jakarta

On the date of 17 July 2017

DIRECTOR GENERAL OF
LAWS AND REGULATIONS

MINISTER OF LAW AND HUMAN RIGHTS

THE REPUBLIC OF INDONESIA

[signed]

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2017 NUMBER

974

In conformity with the original

MINISTRY OF ENERGY AND MINERAL RESOURCES

Head of Legal Bureau

[signed and sealed]

Hufron Asrofi.