

REGULATION THE PROVINCE OF WEST KALIMANTAN
NUMBER 9 OF 2019
ON
MINERALS AND COAL MINING MANAGEMENT

BY THE BLESSINGS OF ALMIGHTY GOD

GOVERNOR OF WEST KALIMANTAN,

- Considering : a. that minerals and coal as unrenovable natural resources must be managed in a directional, integrated, resourced, successful in order to observe the principles of environmental conservation, transparency and public participation so that available reserves can provide real value added to the public's welfare economy in fairness;
- b. that Law Number 23 of 2014 on Local Government authorizes the provincial government to perform the minerals and coal mining management in 1 (one) province and territorial sea up to 12 (twelve) nautical miles;
- c. that based on considerations as referred to in point a, and point b, it is necessary to establish Regional Regulation on Minerals and Coal Mining Management;
- Observing : 1. Article 18 section (6) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 25 of 1956 on Establishment of Autonomous Regions of the Provinces of West Kalimantan, South Kalimantan and East Kalimantan (State Gazette of the Republic of Indonesia of 1956 Number 65, Supplement to the State Gazette of the Republic of Indonesia Number 1106);

3. Law Number 4 of 2009 on Mineral and Coal Mining (State Gazette of the Republic of Indonesia of 2009 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 4959);
4. Law Number 32 of 2009 on Environmental Protection and Management (State Gazette of the Republic of Indonesia of 2009 Number 140, Supplement to the State Gazette of the Republic of Indonesia Number 5059);
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 of 2010 Number 28, 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 and 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. Government Regulation Number 78 of 2010 on Reclamation and Post-Mining (State Gazette of the

- Republic of Indonesia of 2010 Number 135, Supplement to the State Gazette of the Republic of Indonesia Number 5172);
10. Government Regulation Number 12 of 2017 on Fostering and Supervision of Local Government (State Gazette of the Republic of Indonesia of 2017 Number 73, Supplement to the State Gazette of the Republic of Indonesia Number 6041);
 11. Regulation of the Minister of Energy and Mineral Resources Number 25 of 2018 on Exploitation of Mineral and Coal Mining (State Bulletin of the Republic of Indonesia of 2018 Number 595);
 12. Regulation of the Minister of Energy and Mineral Resources Number 26 of 2018 on Implementation of Good Mining Rules and Control of Mineral and Coal Mining (State Bulletin of the Republic of Indonesia of 2018 Number 596);
 13. Regulation of the Minister of Energy and Mineral Resources Number 11 of 2018 on Procedures for Granting Area, Licensing and Reporting on Mineral and Coal Mining Business Activities (State Bulletin of the Republic of Indonesia of 2018 Number 295) as amended by Regulation of the Minister of Energy and Mineral Resources Number 22 of 2018 on Amendment to Regulation of the Minister of Energy and Mineral Resources Number 11 of 2018 on Procedures for Granting Area, Licensing and Reporting on Mineral and Coal Mining Business Activities (State Bulletin of the Republic of Indonesia of 2018 Number 528);
 14. Regulation of the Minister of Home Affairs Number 80 of 2015 on Establishment of Regional Legal Products as amended by Regulation of the Minister of Home Affairs Number 120 of 2018 on Amendment to Regulation of the Minister of Home Affairs Number 80 of 2015 on Establishment of Regional Legal Products (State Bulletin of the Republic of Indonesia of 2018 Number 157);

With the Joint Approval of
THE PROVINCIAL REPRESENTATIVE HOUSE
and
THE GOVERNOR OF WEST KALIMANTAN

HAS DECIDED:

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

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Regional Regulation:

1. Region means the Province of West Kalimantan.
2. Local Government means the Governor as an implementing element of Local Government leading the implementation of government affairs as the authority of the Autonomous Region.
3. Minister means the Minister administering Mining and Energy.
4. Governor means the Governor of West Kalimantan.
5. Regency/Municipality means Regencies/Municipalities in the Province of West Kalimantan.
6. Provincial Instruments means any element of the Governor and the Provincial House of Representatives in the implementation of Government Affairs that is the provincial authority.
7. Office hereinafter referred to as the office means the regional instrument whose duties, functions and responsibilities are in the field of mining, energy, and mineral resources.
8. Mining means a part or all of the phases 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.

9. Mining Management means the policy of planning, organizing, management, fostering, supervision, control and development of mineral and coal mining business activities as the authority of the region.
10. Mineral Mining means the mining of minerals that form seeds or rocks, aside from geothermal energy, oil and gas, and groundwater.
11. Coal Mining means a carbon sediment that is contained in the Earth, including bitumen solids, peat, and asphalt rocks.
12. Mining Business means an activity in the framework of mineral or coal that includes the general research, exploration, feasibility studies, construction, mining, processing and refining, transport and sales, and post-mining activities.
13. Mining Business License (*Izin Usaha Pertambangan*), hereinafter abbreviated as IUP means a permit to carry out mining business.
14. IUP Exploration means a business license given to perform the stages of general research activities, exploration, and feasibility studies.
15. IUP Production Operation means the business license given after the completion of the implementation of IUP exploration to perform the stage of production operation activities.
16. Exploration means the stage of mining business activities to obtain detailed and thorough information about the location, shape, dimensions, spreads, quality and the measured resources of minerals, as well as information on the social environment and living environment.
17. Production Operation means a stage of mining business activities that include construction, mining, processing, refining, including transportation and sales, as well as the means of controlling environmental impacts in accordance with the results of feasibility studies.
18. Mining Services Business License (*Izin Usaha Jasa Pertambangan*) hereinafter abbreviated as IUJP means

permit to carry out business in the field of mining services.

19. Reclamation means an activity conducted throughout the stages of mining business to organize, restore, and improve the quality of the environment and ecosystem so that it can function again according to its allocation.
20. Post-Mining Activities, hereinafter referred to as Post-Mining means a planned, systematic, and continual activity after the end of part or all of the mining business activities to restore the functions of environment and social according to local conditions throughout the mining area.
21. Mining Business License Area (*Wilayah Izin Usaha Pertambangan*), hereinafter abbreviated as WIUP means a territory granted to IUP holders.
22. Regional Mining Business means a mining business managed by the Local Government, of which WIUP is within the region of West Kalimantan province including the territorial sea up to 12 miles.
23. People's Mining Area (*Wilayah Pertambangan Rakyat*), hereinafter abbreviated as WPR, means a part of WP place of people's business mining activities.
24. People's Mining License (*Izin Pertambangan Rakyat*), hereinafter abbreviated as IPR means a permit to carry out mining business within the area of the people's mines with limited investment.
25. Work Plan and Budget (*Rencana Kerja Anggaran Biaya*) hereinafter abbreviated as RKAB means the work plan and budget of the current year on coal and mineral mining business which include administration, technical, and environmental aspects.
26. Day means a work day.

Article 2

The scopes of this regional regulation are:

- a. Authority and responsibility;
- b. Planning;

- c. Mining area;
- d. Mining business area;
- e. Mining business;
- f. Non-metallic minerals and rocks mining business license area;
- g. Mining business license;
- h. Licensing terms and procedures;
- i. People's mining;
- j. Temporary suspension of activities;
- k. Expiry of mining business license;
- l. Commerce;
- m. Use of mining;
- n. Transport of mine commodities;
- o. Reclamation and post-mining;
- p. Submission of reports;
- q. Rights and obligations;
- r. Coaching and supervision;
- s. Development, community empowerment and protection around the mining business license area;
- t. Coordination of cooperation and partnerships;
- u. Financing; and
- v. Administrative sanctions.

CHAPTER II

MANAGEMENT AUTHORITY AND RESPONSIBILITIES

Part One

Authority

Article 3

Local Government authority in managing minerals and coal mining are to:

- a. set WIUP for non-metallic minerals and rocks and issue IUP within the Provincial Region, including the territorial sea up to 12 miles;
- b. issue IPR for metallic mineral, coal, non-metallic mineral and rocks commodities in the WPR;

- c. issue IUP of metallic minerals and coal for domestic capital investment in WIUP area which is in 1 (one) provincial area including territorial sea up to 12 miles;
- d. issue IUP of non-metallic minerals and rocks for domestic capital investment at WIUP which is in 1 (one) provincial area including the territorial sea up to 12 miles;
- e. issue IUP of special production operations for the processing and refining for domestic capital investment of which its mining commodities are derived from 1 (one) area;
- f. issue of mining services business license and certificate of registry for domestic capital investment of business activities in 1 (one) provincial area;
- g. determine pricing of non-metallic minerals.

Part Two
Responsibility

Article 4

The responsibility of Local Government in Minerals and Coal Mining Management covers:

- a. research to obtain data and inventory of potential indications of mineral carrier rock formations in the Region;
- b. complying with the terms of the total production of each commodity per year determined by the Local Government;
- c. mining research and inventory in preparing WIUP;
- d. announcement of the mining activities plan at WIUP, as well as providing IUP Exploration and IUP Production Operation to the public openly; and
- e. conducting fostering on the implementation of mining business activities conducted by IUP and IPR holders.
- f. proposing investigations, research, and exploration in order to obtain mineral and coal information data.
- g. geological information management, information on the potential of mineral and coal resources, as well as mining information in the Region.

- h. preparation of mineral resource balance in the Region.
- i. development and enhancement of mining business activities in the Region.
- j. development and enhancement of community participation in mining business by observing environmental function sustainability;
- k. coordinating the licensing and supervision of the use of explosives in the mining area.
- l. conveying information on inventory results, general investigation, and research and exploration to the Minister; and
- m. fostering and supervision of reclamation and post-mining.

CHAPTER III PLANNING

Part One

Minerals and Coal Mining Management Planning

Article 5

- (1) The Governor formulates a mineral and coal mining management plan.
- (2) The mineral and coal mining management plan contains the least:
 - a. data inventory on mineral and coal mining potentials in the Region;
 - b. inventory needs and availability of minerals and coal in the Region and national;
 - c. mineral and coal mining policies and strategies in the Region;
 - d. mining area management policy; and
 - e. environmental management policy in the mining area.
- (3) The mineral and coal mining management plan as referred to in section (1) is formulated for a period of 5 (five) years and can be evaluated as required.

- (4) The mineral and coal mining management plan as referred to in section (1) becomes guideline for the preparation of strategic plan and Regional development work plan.

Article 6

- (1) The mineral and coal mining management plan as referred to in Article 5 is formulated by the Office.
- (2) The formulation of mineral and coal mining management plan as referred to in section (1) is based on:
 - a. regional development plan;
 - b. regional spatial plan; and
 - c. regional protection and environmental management plan.
- (3) In the formulation of mineral and coal mining management plan as referred to in section (1), the Office coordinates with:
 - a. regional instruments administering spatial affairs;
 - b. regional instruments administering regional planning and development; and
 - c. regional instruments administering environmental affairs.
- (4) Further provisions regarding procedures for formulating the mineral and coal mining management plan as referred to in section (1) are regulated by a Governor Regulation.

CHAPTER IV MINING AREA

Part One Mining Area Planning

Article 7

- (1) The Local Government may conduct mining inventory and research in preparing WP.
- (2) For the mining inventory and research as referred to in section (1), their data and information contain:

- a. metallic minerals and/or coal carrier rock formations;
- b. geological data of evaluation result of Mining activities that are ongoing, have expired and/or have been returned to the Governor;
- c. data on licensing of inventory results that are valid, have expired and/or have returned to the Governor; and/or
- d. remote sensing interpretation in the form of a structural pattern and lithology.

Article 8

- (1) In conducting the mining inventory or research activities, the Governor may provide assignments to the Regional research institution.
- (2) The Regional research institution as referred to in section (1) is obligated to:
 - a. store, secure and keep the confidentiality of data and information on mining potentials of inventory and/or research results in accordance with the provisions of legislation; and
 - b. submit all obtained data and information on mining potentials to the Minister.

Article 9

- (1) The Governor determines the assignment area of mining inventory and research that will be implemented by the Regional research institution and drawn on the map.
- (2) The map as referred to in section (1), as the basis for providing mining assignment, investigation and research to the Regional research institution.

Article 10

- (1) The data and information on mining inventory and research are obligated to be processed into a map of potential minerals and/or coal.

- (2) The map of potential minerals and/or coal as referred to in section (1) is required to be submitted by the Governor to the Minister.

Part Two
Mining Area Evaluation

Article 11

- (1) The WP may be reviewed 1 (one) time in 5 (five) years.
- (2) The Governor may propose changes of WP to the Minister based on the results of investigations and research.

CHAPTER V
MINING BUSINESS AREA

Article 12

The Governor determines WIUP for non-metallic minerals mining and WIUP for rocks mining that are in Regional areas, including the territorial sea up to 12 miles.

Article 13

- (1) To determine WIUP, the Governor may conduct research and inventory.
- (2) The research and inventory as referred to in section (1) is conducted to obtain data and information in the form of:
 - a. map, consisting of:
 1. geological map and carrier rock formation map;
 - and
 2. geochemical maps and geophysical maps.
 - b. resource and reserve estimates.
- (3) The Governor in conducting research and inventory is obligated to coordinate with the Minister and the local Regent/Mayor.

Article 14

- (1) Data and information on the exploration conducted by the Governor are required to be processed into a map of potentials/reserves of minerals and/or coal.

- (2) The potentials/reserves of minerals and/or coal as referred to in section (1) are required to be submitted by the Governor to the Minister.

CHAPTER VI
MINING BUSINESS

Article 15

The implementation of Regional Mining Business activities is aimed at implementing policies in order to optimally exploit minerals and/or coal, and for the regional development interests.

Article 16

- (1) Regional Mining Business is classified as:
 - a. Minerals Mining; and
 - b. Coal Mining.
- (2) The Minerals Mining as referred to in section (1) point a is classified as:
 - a. metallic mineral mining;
 - b. non-metallic mineral mining; and
 - c. rocks mining.

Article 17

The Regional Mining Business activities as referred to in Article 15 are implemented in the form of IUP and IPR.

CHAPTER VII
NON-METALLIC MINERALS AND ROCKS MINING
BUSINESS LICENSE AREA

Part One

General

Article 18

- (1) WIUP is an allocated Mining area that is in the regional spatial plan, including the territorial sea up to 12 miles.

- (2) The WIUP as referred to in section (1) is determined by the Governor.
- (3) The determination of WIUP as referred to in section (2) is allocated to:
 - a. non-metallic minerals Mining; and
 - b. rocks Mining.

Article 19

- (1) In 1 (one) WUP may consist of 1 (one) or several WIUPs.
- (2) Each applicant as referred to in section (1) can be given 1 (one) WIUP.
- (3) In the event that the applicant as referred to in section (2) is an enterprise that has been public, it can be given more than 1 (one) WIUP.

Part Two WIUP Area

Article 20

- (1) WIUP area for non-metallic minerals:
 - a. IUP holders of non-metal minerals Exploration are given the maximum WIUP of 25,000 (twenty-five thousand) hectares; and
 - b. IUP holders of non-metallic minerals production operations are given WIUP with the maximum area of 5,000 (five thousand) hectares.
- (2) WIUP area for rocks:
 - a. IUP holders of rock Exploration are given WIUP with the maximum area of 5,000 (five thousand) hectares; and
 - b. IUP holders of rock Production Operations are given WIUP with the maximum area of 1,000 (a thousand) hectares.

Article 21

Based on the condition of environmental carrying capacity and commodity potential of mining in the Region, it can be

adjusted the area limit of WIUP to the IUP holders in accordance with the provisions of legislation.

Part Three
WIUP Granting

Paragraph 1
General

Article 22

- (1) The WIUP is granted before IUP.
- (2) The WIUP granting as referred to in section (1) consists of:
 - a. WIUP for non-metallic minerals; and/or
 - b. WIUP for rocks.
- (3) The WIUP as referred to in section (1) is an area within the Region, including sea territory up to 12 miles.
- (4) The WIUP for non-metallic minerals and/or rocks as referred to in section (2) point a and point b are obtained by submitting application.

Paragraph 2
Procedures for Granting WIUP

Article 23

- (1) To obtain WIUP for non-metallic minerals or rocks, the enterprises, cooperatives or individuals submit applications to the Governor for WIUP application that is in 1 (one) Region and/or sea territory up to 12 (twelve) miles.
- (2) Before granting WIUP, the governor must first get recommendation from the Regent/Mayor.

Article 24

- (1) In a period of no longer than 10 (ten) days after the application is accepted, the Governor is obligated to make decision whether to accept or reject the application of WIUP for non-metallic minerals or rocks.

- (2) The decision to accept as referred to in section (1) is notified to WIUP applicant accompanied by granting of WIUP map following limits and coordinates of WIUP.
- (3) The decision to reject as referred to in section (1) must be notified in writing to the WIUP applicant accompanied by reason of rejection.

CHAPTER VIII
MINING BUSINESS LICENSE

Part One
General

Article 25

- (1) The IUP is granted by the Governor pursuant to the application filed by:
 - a. enterprises;
 - b. cooperatives; or
 - c. individuals.
- (2) The IUP as referred to in section (1) consists of:
 - a. IUP for metallic minerals;
 - b. IUP for coal;
 - c. IUP for non-metallic minerals; and/or
 - d. IUP for rocks.
- (3) The IUP as referred to in section (2) is granted for domestic capital investment.
- (4) The IUP as referred to in section (2) is granted after obtaining WIUP.
- (5) Each applicant as referred to in section (1) can only be granted 1 (one) IUP.
- (6) In the event that the applicant as referred to in section (5) is a go public enterprise or application for IUP for non-metallic minerals and IUP for rocks can be granted more than 1 (one) WIUP.

Part Two
IUP Stages

Article 26

- (1) The IUP consists of two following stages:
 - a. IUP Exploration; and
 - b. IUP Production Operation.
- (2) IUP Exploration as referred to in section (1) point a covers general investigation, exploration, and feasibility studies.
- (3) IUP Production Operation as referred to in section (1) point b covers construction, mining, processing and refining, as well as transportation and sale activities.
- (4) IUP Production Operation holders may conduct part or all of the activities as referred to in section (3).

Part Three
IUP Process

Article 27

- (1) In 1 (one) WIUP, it may be granted 1 (one) or several IUPs.
- (2) The IUP as referred to in section (1) is granted for 1 (one) type of minerals or coal.
- (3) The IUP holder as referred to in section (2) that finds another mineral that is not a mineral association in the WIUP of which it manages is obligated to notify the Governor and be given priority to exploit it.
- (4) The IUP holder who intend to exploit the other mineral as referred to in section (3) is obligated to apply for a new IUP to the Governor.
- (5) The IUP holders may state that they are not interested to exploit the discovered other mineral.
- (6) The IUP holders who are not interested in exploiting the discovered other mineral are obligated to preserve the other mineral as referred to in section (5) for not being utilized by the other parties.
- (7) The IUP for other mineral as referred to in section (5) and section (6) may be granted to the other parties by the Governor.

Part Four
Special Mining Licenses

Article 28

- (1) Special mining licenses consist of:
 - a. temporary license for transportation and sale;
 - b. IUP Production Operation for sale;
 - c. Special IUP Production Operation for transportation and sale; and
 - d. Special IUP Production Operation for processing and/or refining.
- (2) The temporary license for transportation and sale as referred to in section (1) point a is granted to the company holding IUP of minerals or coal Exploration for the excavated commodity.
- (3) The IUP Production Operation for sale as referred to in section (1) point b is granted to the company in the form of enterprises that does not run in mining business.
- (4) The special IUP Production Operation for transportation and sale and special IUP Production Operation for processing and/or refining as intended in section (1) point c and point d are granted to the company as:
 - a. enterprises;
 - b. cooperatives;
 - c. individual consisting of:
 1. individual persons;
 2. limited partnership; and/or
 3. firms.
- (5) Each company as referred to in section (2), section (3), and section (4) can only be given 1 (one) type of special license in the field of minerals and coal mining.
- (6) Each company as referred to in section (2), section (3), and section (4) must not have more than 1 (one) license from each special type of license in the field of minerals and coal mining.
- (7) Further provisions regarding the requirements and procedures for granting special mining license as referred to in section (1) are regulated by a Governor Regulation.

Part Five
Mining Service Business

Article 29

- (1) The IUP or IUPK holders are obligated to use local and/or national mining services companies.
- (2) In the event that there is no mining service company as referred to in section (2), the ITJP or IUPK holders may use other mining services companies of which are Indonesian legal entity.

Article 30

- (1) Any person who runs minerals and coal mining services business in the Region is obligated to have IUJP from the Governor.
- (2) The IUJP as referred to in section (1) may be granted to:
 - a. enterprises;
 - b. cooperatives; and
 - c. individuals.

Article 31

- (1) The IUJP as referred to in Article 28 section (2) is issued to conduct business supporting main mining activities.
- (2) The business supporting main mining activities as referred to in section (1) covers:
 - a. consultation, planning, implementation, and examination of equipment in the field of:
 1. general investigation;
 2. exploration;
 3. feasibility study;
 4. mining construction;
 5. transportation;
 6. mining environment;
 7. post-mining and reclamation; and/or
 8. occupational health and safety.
 - b. consultation, planning, and examination of equipment in the field of:

1. mining; or
 2. processing and refining.
- (3) Further provisions regarding the issuance of IUJP as referred to in section (1) are regulated by a Governor Regulation.

CHAPTER IX LICENSING TERMS AND PROCEDURES

Part One Terms of and Procedures for WIUP

Article 32

- (1) To obtain the WIUP for non-metallic minerals and rocks, the applicant submits a letter of application to the Governor through the Office administering licensing service.
- (2) Further provisions regarding the application terms as referred to in section (1) are regulated by a Governor Regulation.

Part Two Procedures for Obtaining IUP Exploration

Article 33

- (1) In order to obtain IUP Exploration, the applicant to submits a written duly stamped application letter to the Governor.
- (2) The application letter as referred to in section (1) is submitted through the Office administering licensing service.
- (3) The application as referred to in section (2) is submitted after the acceptance of WIUP decision from the Governor.
- (4) Further provisions regarding the requirements for obtaining the IUP Exploration as referred to in section (1) are regulated by a Governor Regulation.

Part Three

Procedures for Obtaining IUP Production Operation

Article 34

- (1) To obtain an IUP Production Operation, the applicant submits a written duly stamped application letter to the Governor.
- (2) The application letter as referred to in section (1) is submitted through the Office administering licensing service.
- (3) Further provisions regarding the requirements for obtaining IUP Production Operation as referred to in section (1) are regulated by a Governor Regulation.

Part Four

IUP Production Operation Extension

Article 35

- (1) To obtain an IUP Production Operation extension, the applicant submits a written duly stamped application letter to the Governor through the Office administering licensing service not less than 2 (two) years and not later than 6 (six) months before the expiry of the IUP.
- (2) Application for IUP Production Operation extension as referred to in section (1) must be accompanied by:
 - a. map and coordinate boundaries of the region;
 - b. proof of settlement of fixed dues and production dues of the last 3 (three) years;
 - c. proof of guarantee placement of reclamation plan and post-mining plan;
 - d. final report on Production Operations;
 - e. environmental management report;
 - f. work plan and budget;
 - g. balance of resources and reserves;
 - h. results of consultation or approval from the community living around the WIUP about the sustainability of the mining activities;

- i. statement letter of never subjected to any criminal sanction or administrative sanction during the activities of Mining Management; and
 - j. environmental management report for the last 6 (six) months.
- (3) The Governor may reject the application of IUP Production Operation extension if based on evaluation results the IUP Production Operation holder does not show a well-performed Production Operations.
 - (4) The rejection as referred to in section (3) is notified to the IUP Production Operation holder not later than before the expiry of IUP Production Operation.
 - (5) The IUP Production Operation holder can only be granted an extension for 2 (two) times.
 - (6) The IUP Production Operation holder who has obtained an IUP Production Operation extension for 2 (two) times returns the WIUP Production Operation to the Governor under the provisions of the legislation.

CHAPTER X PEOPLE'S MINING

Part One People's Mining Area

Article 36

People's mining in the Region is conducted on WPR established in accordance with the provisions of legislation.

Article 37

- (1) The establishment of WPR as referred to in Article 36 is proposed by the Governor to the Government based on the results of the study to at least meet the following criteria:
 - a. has secondary mineral reserves;
 - b. has primary reserves of metal or coal with a maximum depth of 25 (twenty-five) meters;

- c. sedimentation of terraces, floodplains, and ancient river deposits;
 - d. the maximum wide of WPR is 25 (twenty-five) hectares;
 - e. mentioning the type of mined commodity; and
 - f. is a region or place of people's mining that have been exploited at least 15 (fifteen) years.
- (2) Proposed establishment of WPR as referred to in section (1) is conducted with regard to Regional Spatial Plan.
 - (3) In establishing the WPR as referred to in section (1), the Governor is obligated to make an announcement regarding the WPR plan to the public.
 - (4) Regions or places of people's mining that have been exploited but have not been established as WPR are prioritized to be established as WPR.

Part Two

People's Mining License

Article 38

- (1) The IPR is granted by the Governor based on the application filed by:
 - a. individual persons;
 - b. community groups; and/or
 - c. cooperatives.
- (2) To obtain an IPR, the applicant submits a written duly stamped application letter to the Governor through a regional instrument administering licensing service.
- (3) Further provisions regarding the application requirements as referred to in section (1) are regulated by a Governor Regulation.

Part Three

IPR Area and Period

Article 39

- (1) Area for 1 (one) IPR that can be given to:

- a. individual persons, not more than 1 (one) hectare;
 - b. community groups, not more than 5 (five) hectares;
or
 - c. cooperatives, not more than 10 (ten) hectares.
- (2) The IPR is granted for a period of not later than 5 (five) years and may be extended at most 2 (two) times.

CHAPTER XI
TEMPORARY SUSPENSION OF MINING
BUSINESS LICENSE ACTIVITIES

Article 40

- (1) The IUP holders may apply for a temporary suspension of mining business activities in case of:
- a. force majeure;
 - b. circumstances that preclude thus cause termination of partly or all mining business activities; and
 - c. environmental carrying capacity condition of the region fails to bear the burden of activities of Production Operation of mineral and coal resources conducted in its region.
- (2) The Governor issues a decision within 30 (thirty) days since the application for temporary suspension as referred to in section (1) is accepted for a period of 1 (one) year and can be extended 1 (one) time.
- (3) If the period of temporary suspension as referred to in section (2) has expired, it may be given an extension of the period of temporary suspension in respect of the licensing of other institutions.
- (4) Temporary suspension of mining business activities as referred to in section (1) does not reduce the validity period of IUP.
- (5) Further provisions regarding the terms of and procedures for the temporary suspension of IUP activities as referred to in section (1) are regulated by a Governor Regulation.

Article 41

- (1) Application for temporary suspension of mining business activities as referred to in Article 40 section (1) point a and point b is submitted to the Governor.
- (2) The temporary suspension as referred to in Article 40 section (1) point c may be carried out by the mining inspector or conducted based on the public application to the Governor.

CHAPTER XII

EXPIRY OF MINING BUSINESS LICENSE

Article 42

IUP expires because it is:

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

Article 43

- (1) The IUP holders may return their IUP by a written statement to the Governor accompanied with clear reasons.
- (2) The IUP return as referred to in section (1) is deemed valid after approved by the Governor and after fulfilling its obligations.

Article 44

The IUP is required to be revoked by the Governor if:

- a. the IUP holders do not fulfill the obligations stipulated in the IUP and/or provisions of legislation;
- b. the IUP holders commit a criminal offense based on the provisions of legislation; or
- c. the IUP holders are declared bankrupt.

Article 45

In the event that the period specified in the IUP has expired and is not submitted application for upgrade or extension of

the activity or application stage but fail to meet the requirements, the IUP is declared expired.

Article 46

- (1) The IUP holders whose IUP is expired for the reason as referred to in Article 40, are obligated to fulfill and settle the obligation in accordance with the provisions of legislation.
- (2) The obligation of the IUP holders as referred to in section (1) is deemed fulfilled after approved by the Governor.

Article 47

- (1) The returned, revoked or expired IUP, is handed back to the Governor.
- (2) The expired IUP as referred to in section (1) is offered to enterprises, cooperatives or individuals through mechanisms in accordance with the provisions of legislation.

Article 48

In the event that IUP or IPR expires due to period expired, the IUP or IPR holders are obligated to fulfill all liabilities charged to them.

CHAPTER XIII
COMMERCE

Article 49

- (1) The Governor sets the benchmark price of non-metallic minerals and rocks periodically for each mining commodity based on the market mechanism after coordinating with the Regency/Municipal Government.
- (2) The benchmark price of non-metallic minerals and rocks as referred to in section (1) is required to be used as price reference for IUP holders in selling of non-metallic minerals and rocks.
- (3) The benchmark pricing of non-metallic minerals and rocks as referred to in section (1) and section (2) is set by the Office.

Article 50

- (1) Under his or her authority, the Governor manages and controls the production and sale of minerals and coal.
- (2) The sale of minerals and coal must be carried out in accordance with the RKAB approved by the Office.
- (3) The IUP Production Operation holders are obligated to report minerals and coal sales activities every month to the Office.
- (4) The report as referred to in section (1) at least contains:
 - a. selling price;
 - b. sales volumes;
 - c. quality;
 - d. point of sale;
 - e. sales objectives; and
 - f. cost of adjustment and domestic use and/or the destination country, accompanied by supporting documents.

Article 51

- (1) The Governor facilitates the marketing of people's mining products in the Region.
- (2) The implementation of marketing facilitation as referred to in section (1) is conducted by the Office.

Article 52

Further provisions regarding pricing of non-metallic minerals and rocks, reporting of minerals and coal sales activities, as well as facilitation of the marketing of the people's mining products as referred to in Article 47 to Article 49 are regulated by a Governor Regulation.

CHAPTER XIV

LAND USE FOR MINING BUSINESS

Article 53

- (1) The right to WIUP does not cover land rights.
- (2) The right to IUP is not an ownership of land rights.

Article 54

- (1) Mining Business activities cannot be carried out in places that are restricted to do business activities in accordance with the provisions of legislation.
- (2) The mining business activities as referred to in section (1) may be carried out after obtaining permit from Government institution in accordance with the provisions of legislation.
- (3) The IUP holders as referred to in article 53 section (2) may only carry out their activities after obtaining approval from the land rights holder.

Article 55

- (1) The IUP Production Operation holders conducting production operation are obligated to settle part or all of the land rights in the WIUP with the land rights holder in accordance with the provisions of legislation.
- (2) Settlement of land rights as intended in section (1) can be done gradually according to the needs of the land.

Article 56

The IUP Production Operation holders are obligated to compensate or cooperate in the agreement with the land rights holder.

CHAPTER XV

MINES COMMODITY TRANSPORTATION

Article 57

To transport and supply of the mine commodity transportation means that will be on public roads, before the IUP is issued, the IUP holder must have a recommendation from the regional instrument administering transportation, which includes:

- a. type and number of means of transport used;
- b. conditions of transportation that pass vehicle eligibility permits;
- c. routes traveled;

- d. road suitability with the type of vehicle used; and
- e. other terms and conditions that must be complied with.

Article 58

- (1) In the event that transporting the mines commodity is carried out by other parties, they are obligated to have service permits in the field of mining.
- (2) In the event of production of mineral and coal mining materials using transportation outside the mine area, it must have permits in accordance with the provisions of legislation.

CHAPTER XVI

RECLAMATION AND POST-MINING

Part One

Reclamation and Post-Mining Plans

Article 57

- (1) Any IUP Exploration applicant is obligated to prepare a reclamation plan for exploration phase.
- (2) The preparation of reclamation plan as referred to in section (1) must consider:
 - a. exploration methods;
 - b. local area specific conditions.
- (3) The reclamation plan as referred to in section (1) and section (2) is submitted before IUP Exploration is issued.
- (4) The period of reclamation plan is determined in accordance with the exploration method implemented.
- (5) The reclamation plan as referred to in section (1) is implemented in accordance with the provisions of legislation.

Article 58

- (1) Any IUP Production Operation applicant is obligated to prepare a reclamation plan for production operations and post-mining plan and approved by the Office.

- (2) The reclamation plan of production operation and the post-mining plan as referred to in section (1) are submitted at the time of application for IUP Production Operation as an integral part of the licensing requirements.
- (3) The reclamation plan of production operation phase as referred to in section (1) and section (2) must consider:
 - a. reclamation principles;
 - b. mining systems and methods based on feasibility studies;
 - c. local area specific conditions; and
 - d. environmental documents.
- (4) The post-mining plan as referred to in section (1) and section (2) must consider:
 - a. environmental documents;
 - b. mining systems and methods based on feasibility studies;
 - c. allocation of final land according to spatial and land use;
 - d. specific conditions of mining business license area; and
 - e. socio-economic and cultural conditions of the surrounding community.
- (5) The period of the post-mining plan is determined based on the age of mining.

Article 59

The IUP holders are obligated to report the reclamation activities according to the reclamation plan of production operation annually and is submitted to the Office and Regional Instrument administering environmental protection and management affairs.

Article 60

- (1) The Governor organizes the evaluation of reclamation based on the reports submitted by IUP holders annually as referred to in Article 59.

- (2) The evaluation as referred to in section (1) is conducted by the Office.

Article 61

- (1) The governor conducts evaluation of the report on the post-mining every 3 (three) years for the approved post-mining plan.
- (2) The evaluation as referred to in section (1) is conducted based on the report submitted by IUP holders every 3 (three) months.
- (3) The evaluation of the report as referred to in section (1) is conducted by the Office.

Article 62

- (1) The IUP holders are obligated to make adjustments to the post-mining plan in case there are spatial and land use changes.
- (2) The adjustment of the post-mining plan as referred to in section (1) is conducted no later than 2 (two) years before the end of mine business activity.

Article 63

Further provisions regarding reclamation and post-mining as referred to in Article 57 to Article 62 are regulated a Governor Regulation.

Paragraph 2

Reclamation Security and Post-Mining Security

Article 64

- (1) Reclamation funding and post-mining security for exploration and/or production operation are required to be provided by the IUP Holder in the reclamation security and post-mining security.
- (2) The reclamation security and post-mining security as referred to in section (1) are stated in RKAB of exploration and/or production operation.

Article 65

- (1) The placement of reclamation security and post-mining security is carried out at a bank owned by the Local Government or the Government in the form of term deposits.
- (2) The reclamation security and post-mining security are placed after the reclamation and post-mining plans are approved by the Governor.

Article 66

- (1) The Governor may assign a third party to carry out reclamation and post-mining with the security funds as referred to in Article 65.
- (2) The determination of the third party as referred to in section (1) is enforced in case that the IUP holder fails to carry out the reclamation and post-issue of the approved reclamation and the post-mining plans.

Article 67

The placement of reclamation security and post-mining security does not eliminate the obligation of the IUP Holder to carry out reclamation and post-mining.

Article 68

Further provisions regarding reclamation and post-mining security as referred to in Article 64 to Article 67 are regulated by a Governor Regulation.

CHAPTER XVII

SUBMISSION OF REPORTS

Article 68

- (1) The IUP holders are obligated to submit all data obtained from the results of Exploration and Production Operation to the Governor.
- (2) The IUP holders are obligated to submit periodic reports in writing on RKAB implementation of minerals or coal

mining business to the Governor with a copy to the Minister.

Article 69

- (1) The Governor may respond to the report as referred to in Article 68 section (2).
- (2) The responses as referred to in section (1) must be followed up by the IUP holder in a period of not later than 30 (thirty) days from the receipt of the response from the Governor.

Article 70

The Governor is obligated to submit a written report on the management of mining business activities to the Minister periodically every 6 (six) months.

CHAPTER XVIII
RIGHTS AND OBLIGATIONS

Part One
Rights

Article 71

- (1) The IUP holders may perform part or all of the mining business stages such as exploration activities and production operation activities.
- (2) The IUP holders may utilize the public infrastructure and facilities for mining purposes in accordance with the provisions of legislation.
- (3) The IUP holders have the right to possess minerals including their own produced minerals and/or coal in accordance with the provisions of legislation.

Article 72

The IUP holders of minerals and coal are guaranteed the right to conduct mining business in accordance with the provisions of legislation.

Part Two
Obligations

Article 73

The IUP holders are obligated to:

- a. conduct production operation for not later than 6 (six) months since the issuance of IUP Production Operation;
- b. implement good mining engineering technique;
- c. manage finances in accordance with Indonesian accounting system;
- d. increase the value added mineral resources and/or coal;
- e. implement development and empowerment of local communities;
- f. comply with the environmental support tolerance limit;
- g. ensure the application of standard and quality standards of the environment in accordance with the characteristics of the region;
- h. submit a reclamation plan and a post-mining plan at the time of applying for IUP Production Operation;
- i. carry out reclamation and post-mining activities in accordance with the allocation.
- j. provide reclamation security funds and post-mining security funds;
- k. increase the value added mineral resources in carrying out the domestic processing and refining;
- l. install the boundary mark of IUP Production Operation for not later than 6 (six) months from obtaining IUP or before the start of production operation;
- m. develop community empowerment and development program that is consulted to Local Government and community in the framework of social and environmental responsibility:
 1. preserve the function and carrying capacity of water resources in accordance with the provisions of legislation; and
 2. obey local community culture and local wisdom;

- n. prioritize the utilization of local workers, domestic goods and services in accordance with the provisions of legislation;
- o. involve local entrepreneurs in the Region when conducting Production Operation in accordance with the provisions of legislation;
- p. be required to increase the value-added mineral and/or coal resources in the implementation of mining, processing and refining and utilization of minerals and coal; and
- q. conduct the processing and refining of domestic mining results.

Article 74

- (1) For processing and refining as referred to in Article 73 point q can cooperate with enterprise, cooperatives or individuals who have obtained IUP or IUPK.
- (2) The IUP as referred to in section (1) for the IUP of special production operation issued by the Governor.
- (3) The IUP holders as referred to in section (1) are prohibited from conducting the processing and refining of the mining results that do not have an IUP, IPR or IUPK.

Article 75

- (1) The IUP holders are obligated to submit all data obtained from the results of exploration and production operation to the Governor.
- (2) The IUP holders are obligated to prepare and submit the RKAB before the activity starts.
- (3) The IUP holders are obligated to carry out the activities according to the approval of RKAB given.
- (4) The IUP holders are obligated to submit a written report on the implementation of RKAB.
- (5) Further provisions regarding the form, type, time, and procedure for submission of the RKAB report as referred to in section (4) are regulated by a Governor Regulation.

CHAPTER XIX
FOSTERING AND SUPERVISION

Part One
Fostering

Article 76

- (1) The Governor conducts construction of mining business management conducted by the IUP holders.
- (2) The fostering as referred to in section (1) is least carried out to:
 - a. mining administration;
 - b. mining technical operation; and
 - c. implementation of competency standards of mining workforce.

Part Two
Supervision

Article 77

- (1) The Governor supervises the implementation of mining business activities conducted by the IUP holders.
- (2) The supervision as referred to in section (1) is conducted to:
 - a. mining technical;
 - b. marketing;
 - c. finance;
 - d. minerals and coal data management;
 - e. minerals and coal resources conservation;
 - f. mining occupational health and safety;
 - g. mining operations safety;
 - h. environmental, reclamation and post-mining management;
 - i. utilization of goods, services, technology and engineering capabilities and domestic design;
 - 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 the public interest;
 - n. implementation of activities in accordance with IUP or IPR; and
 - o. number of types and quality of mining business.
- (3) The supervision as referred to in section (2) is conducted by a mine inspector and/or official appointed by the Governor.

Article 78

- (1) Supervision is conducted through:
- a. evaluation of the report of plan and implementation of mining business activities of the IUP or IPR holders; and/or
 - b. inspections to the location of IUP or IPR.
- (2) The supervision as referred to in section (1) is carried out at least 1 (one) time in a year.

Article 79

The results of supervision as referred to in Article 78 section (1) are submitted to the Minister.

Part Three

Supervision Implementation

Article 80

- (1) The official appointed by the Governor as referred to in article 77 section (3) supervises through:
- a. periodic or any other time inspections and integrated examination; and/or
 - b. verification and evaluation of reports from IUP holders.
- (2) In conducting supervision as referred to in section (1) the appointed official is authorized to enter the mining business activities at any time.

CHAPTER XX
DEVELOPMENT, PROTECTION AND EMPOWERMENT OF
COMMUNITY AROUND MINING BUSINESS LICENSE AREA

Article 81

- (1) The IUP holders are obligated to prepare programs of empowerment and development of community around WIUP.
- (2) The community may propose program proposals for community development and empowerment to the Governor to be forwarded to IUP holders.
- (3) The community development and empowerment as referred to in section (1) are prioritized for communities around the WIUP that are directly impacted by mining activities.
- (4) The community priority as referred to in section (3) is a community near the activities of mining operations by not seeing the administrative boundaries of the sub-district/regency/municipality.
- (5) Community development and empowerment program is funded by the allocation of community development and empowerment program costs and budgets of IUP holders every year.
- (6) The allocation of community development and empowerment programs as referred to in section (5) is managed by IUP holders.

Article 82

- (1) The IUP holders annually must submit the plans and costs of implementing community development and empowerment programs as a part of the annual RKAB to the Governor for approval.
- (2) The plan and cost of implementing the program as referred to in section (1) is a part of the annual RKAB which is required to be reported to the Governor for approval.

Article 83

The IUP holders are obligated to submit the report of community empowerment and development program every 6 (six) months to the Governor.

Article 84

The community development and empowerment are implemented in accordance with the provisions of legislation.

Article 85

- (1) Communities that are negatively impacted directly from mining business are entitled to:
 - a. obtain proper damages due to errors in the administration of mining activities in accordance with the provisions of legislation;
 - b. submit a lawsuit against the court against the damages arising from the mining that violates the provisions.
- (2) Provisions regarding protection of the community as referred to in section (1) are regulated in accordance with the provisions of legislation.

CHAPTER XXI

COORDINATION, COOPERATION AND PARTNERSHIP

Part One

Coordination

Article 86

- (1) The Governor coordinates of management of minerals and coal mining in the Region.
- (2) The coordination of mining management as referred to in section (1) is technically implemented by the Office.

Part Two
Cooperation

Article 87

- (1) The Local Government develops a pattern of cooperation in the management of minerals and coal mining.
- (2) The cooperation as referred to in section (1) is carried out between the Local Government and:
 - a. other provinces;
 - b. third parties; and/or
 - c. institutions abroad in accordance with the provisions of legislation.

Part Three
Partnership

Article 88

- (1) The Local Government may form partnership with business entities and/or other institutions in management of Minerals and Coal Mining.
- (2) The partnership as referred to in section (1) is carried out in the form of the following activities:
 - a. education and training on competency development of human resources;
 - b. research and development; and
 - c. other activities according to agreement with the principle of mutual benefit.

CHAPTER XXII
FUNDING

Article 89

Funding for minerals and coal mining is sourced from:

- a. Local Budget;
- b. Other sources of funds that are legitimate and are not binding and in accordance with the provisions of legislation.

CHAPTER XXIII
ADMINISTRATIVE SANCTIONS

Article 90

- (1) The Governor is authorized to impose administrative sanctions to the IUP holders for violations of the provisions as referred to in Article 74 and Article 75 section (1) to section (4).
- (2) The administrative sanctions as referred to in section (1) are in the form of:
 - a. written warning;
 - b. temporary suspension of partly or all business activities;
 - c. freezing license; and/or
 - d. revocation of license.
- (3) Further provisions regarding the procedure for imposing administrative sanctions as referred to in section (2) are regulated by a Governor Regulation.

CHAPTER XXIV
INVESTIGATION

Article 91

- (1) Certain Civil Servants Investigator Officials within the Local Government are given the authority to conduct investigations on violations against the provisions of this Regional Regulation.
- (2) In carrying out the investigation, the Civil Servants Investigator Officials as referred to in section (1) are authorized to:
 - a. receive a report or complaint from person about a criminal offense;
 - b. take the first action at that time on the scene of the case and perform the examination;
 - c. command to stop a suspect, and examine the suspect self-identification;
 - d. conduct confiscation of objects and/or letters;

- e. take a fingerprint and photograph someone;
 - f. summon people to be heard and examined as suspects or witnesses;
 - g. bring the necessary experts in relation to the examination of the case;
 - h. cease the investigation after it has been instructed that there is not sufficient criminal evidence and hereinafter notify the alleged prosecution or his or her family; and/or
 - i. conduct other actions according to the law that can be held accountable.
- (3) In carrying out their duties, the Civil Servants Investigator Officials are not authorized to carry out arrest or detention.
- (4) The Civil Servants Investigator Officials made the official report for every action about:
- a. suspect investigation;
 - b. house enters;
 - c. confiscation of objects;
 - d. mailing checks;
 - e. witness examination; and
 - f. examination on the scene and submitting the file to the prosecution through the investigator of Police the Republic of Indonesia.

CHAPTER XXV CRIMINAL PROVISION

Article 92

- (1) Any person violating the provisions as referred to in Article 8 section (2), Article 10 section (1) and section (2), Article 13 section (3), Article 14 section (1) and section (2), Article 24 section (1), Article 27 section (3) section (4) and section (6), Article 30 section (1), Article 37 section (3), Article 44, Article 46 section (1), Article 48, Article 49 section (2), Article 50 section (3), Article 54 section (1), Article 55 section (1), Article 56, Article 58 section (1),

- Article 59 section (1), Article 60 section (1), Article 61, Article 64 section (1), Article 66 section (1), Article 71 section (1) and section (2), Article 73, Article 76, Article 78 section (1) to section (4), Article 84 section (1), Article 85 section (1) and section (2), and Article 86 is sentenced to imprisonment for a maximum of 6 (six) months or fined for a maximum of Rp50,000,000.00 (fifty million rupiah);
- (2) The criminal offenses as referred to in section (1) are violations.

CHAPTER XXVI
TRANSITIONAL PROVISION

Article 93

- (1) All licensing of minerals and coal mining issued prior to the enforcement of this Regional Regulation are remain in effect until the expiration of such licenses.
- (2) The mining licensing application that is in process is adjusted to the provisions of this Regional Regulation.
- (3) Mining business activities that do not comply with this Regional Regulation must be adjusted for not later than 6 (six) months since the promulgation of this Regional Regulation.

CHAPTER XXVII
CLOSING PROVISION

Article 94

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 West Kalimantan.

Issued in Pontianak
on 29 August 2019

GOVERNOR OF WEST KALIMANTAN,

signed

SUTARMIDJI

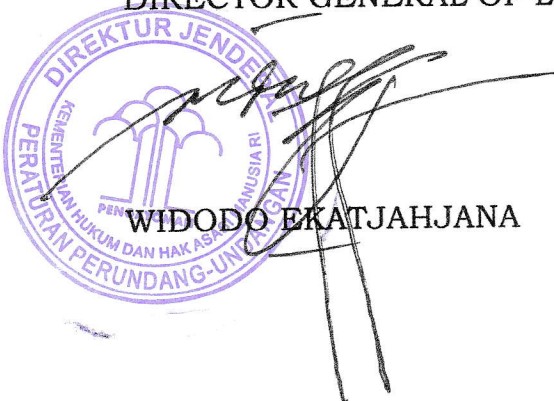
Promulgated in Pontianak
on 29 August 2019

REGIONAL SECRETARY
OF THE PROVINCE WEST KALIMANTAN,

signed

A.L. LEYSANDRI
PROVINCIAL GAZETTE OF WEST KALIMANTAN OF 2019 NUMBER 9

Jakarta, 19 May 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