MOCHTAR KARUWIN KOMAR

Key changes to Mining Company Work Plans and Budgets ("RKAB")

March 2026

MEMR has set out material changes to RAKB requirements amending formats, evaluation and approvals under Resources No. 17 of 2025 on Procedures for the Preparation, Submission, and Approval of Work Plans and Budget ("**MEMR 17/2025**"). The changes affect IUP, IUPK, Contracts of Work and Coal Contract of Work holders

Key Highlights

Validity Period – RKAB Production Operation validity is reduced from a three-year period to an annual period.

Submission Requirements and Timeline – IUP and IUPK holders must deliver their submissions for the MEMR's approval, within at 30 (thirty) calendar days from the date of issue of their license and then between 1 October until 15 November of the following year.

RKAB evaluation will be completed within five business days, with approval or rejection issued within eight business days. Failure by MEMR to meet this timeline will result in an automatic approval of the RKAB.

RKAB Amendment – MEMR 17/2025 introduces the ability to change the attachments of RKAB without amending the entire document, which including changing:

1. Construction of transportation and storage/stockpiling facilities;
2. Purchase or use of explosives;
3. Sleep blasting;
4. Annual storage or stockpiling liquid fuels; and
5. Import, re-export, temporary import facilities, or transfer of goods.

Transitional Period – Following the enactment of MEMR 17/2025, the existing RKAB 2025 under previous regime will remain valid. However, the existing RKABs for 2026 and 2027 that have been approved must be resubmitted to comply with the new provisions. Where the revised RKAB 2026 has not been approved by the close of the current year, IUP and IUPK holders may use the existing RKAB 2026 for their operations until 31 March 2026.

Additional Sanctions – Any excess production remains prohibited and subject to immediate suspension of operations. However, MEMR 17/2025 has designated additional measures, such as a reduction in production quota for the following year and an increased Royalty payment.

Should you have any other questions on the above, please contact Partner Cisca Harun ciscah@mkklaw.net or Ahmad Djoyosugito asd@mkklaw.net for further information.