

## New Rules for Mineral and Coal Mining Business

May 2026

As an implementing regulation of Government Regulation No. 39 of 2025 on the Implementation of Mineral and Coal Mining Business Activities, the Minister of Energy and Mineral Resources (“MEMR”) issued Regulation No. 18 of 2025 (“MEMR 18/2025”), which took effect on 18 November 2025.

### Key Highlights

**Granting of Mining Business License Area License (“WIUP”) for Metal Minerals and Coal through bidding** — Eligible participants are categorized based on the size of the mining area:

- Areas of ≤ 500 ha are reserved for (i) cooperatives, (ii) local micro and small private national entities, and (iii) local Regional-Owned Enterprises (“ROEs”), and
- Areas of > 500 ha are reserved for (i) State-Owned Enterprises (“SOEs”), (ii) ROEs, (iii) private national entities (medium/large scale), (iv) PMAs, and (v) cooperatives, in each case subject to the fulfillment of the applicable administrative, technical, and financial qualification requirements under MEMR 18/2025.

**Granting of Priority WIUP** — Eligible priority applicants (without bidding) include,

- for WIUPs of no more than 2,500 ha: (i) cooperatives and (ii) small and medium enterprises;
- for metal mineral WIUPs of no more than 25,000 ha or coal WIUPs of no more than 15,000 ha: (i) business entities owned by registered religious-based mass organizations, (ii) SOEs, ROEs, and private business entities in collaboration with higher education organizations, and (iii) SOEs and private business entities for downstreaming purposes,

subject to the fulfillment of the applicable conditions and requirements as further regulated under MEMR 18/2025.

**Radioactive Minerals Further Arrangement** — A WIUP for radioactive minerals is determined by the MEMR following verification by the authorized nuclear supervisory institution and may only be granted through bidding or priority allocation. MEMR 18/2025 further assigns exclusive authority to an SOE to conduct and utilize radioactive mineral business activities.

**Rare Earth Metal Mineral Arrangement** — MEMR 18/2025 prioritizes rare earth metal mineral mining business and utilization for domestic industrial development and, similar with radioactive minerals, allows MEMR to appoint an SOE as the executor. The appointed SOE shall (i) pay information data compensation; and (ii) deposit surety bond no later than 7 days as of designation.

**Priority Access for Religious-Based Organizations** — For the first time, a WIUPK may now be granted on a priority basis to business entities owned by registered religious-based mass organizations, subject to strict conditions, including, among others, minimum 67%



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ownership by the religious organization and prohibition on transferring or encumbering the mining license.

**Mandatory Collaboration with Universities** — Priority WIUPs may be granted to companies that cooperate with universities, including SOE, ROE and private entities, subject to requirements such as collaboration with universities in the same province and the allocation of at least 60% of net profits for higher education support.

**Blacklist** — In the framework of granting of metal mineral or coal WIUPs on a priority basis, any entity that withdraws its participation (including business entity owned by Religious Community Organizations, SOEs, ROEs, private business entities, cooperatives and small and medium enterprises, and their affiliates), will be blacklisted by MEMR.

**Uniform Financial Guarantees and Surety Bond** — MEMR 18/2025 provides that the surety bond for WIUP granting is IDR 50 million for areas equal to or less than 40 hectares. For WIUPs larger than 40 hectares, the surety bond is calculated at IDR 1.5 million per hectare of the total WIUP area.

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