



# PwC Indonesia Legal Alert

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New export extension for mining business license holders: Key updates in MEMR Regulation No. 6 of 2024<sup>P1</sup>

## New export extension for mining business license holders: Key updates in MEMR Regulation No. 6 of 2024

Starting from 1 June 2024, the Ministry of Energy and Mineral Resources (MEMR) has granted an additional extension to holders of Operation Production Mining Business Licenses (IUP-OP) and Special Operation Production Mining Business Licenses (IUPK-OP) for copper, iron, lead, and zinc. These license holders are now allowed to export a specified quantity of processed products and byproducts abroad until 31 December 2024 (previously allowed until 31 May 2024), according to Regulation No. 6 of 2024 ("MEMR 6/2024").

### Key highlights of MEMR 6/2024:

#### 1. Extension for construction and economic growth:

MEMR 6/2024 recognises the necessity for additional time for IUP and IUPK-OP holders to continue and complete the construction of refining facilities that have reached the commissioning stage. This extension aims to ensure optimal operation of the facilities and contribute to economic growth.

#### 2. Conditions for export:

IUP-OP and IUPK-OP holders must meet the following specific conditions:

- Have produced processed products.
- The physical progress of the refining facilities must have reached the commissioning stage by 31 May, 2024.
- Pay export duties.
- Adherence to minimum processing standards.

#### 3. Construction and collaboration:

For exporting processed products, IUP/IUPK-OP holders can either construct the refining facilities themselves or collaborate through direct share ownership in an entity holding processing and refining business licenses.

**4. Export of byproducts:**

In addition to processed products of copper, iron, lead, and zinc, MEMR 6/2024 permits the export of anode sludge, a byproduct of copper purification abroad until 31 December 2024. For exporting these byproducts, IUP/IUPK holders must be in the process of constructing the advanced refining facilities either themselves or collaborating with other IUP or IUPK holders.

**5. Export approval process:**

Export approval requires a recommendation from the Director General on behalf of the MEMR, valid until 31 December, 2024. This recommendation is a prerequisite for obtaining export approval from the relevant trade authority, ensuring that all exports comply with regulatory standards.

**6. Export quantity limitations:**

The export of processed products and byproducts is limited to a certain quantity, determined based on:

- Estimated reserves to meet the needs of refining facilities.
- The number of sales abroad as approved in the RKAB (Work Plan and Budget).
- The input capacity of the refining facilities.

**7. Reporting requirements:**

Holders of IUP or IUPK who have received export recommendations must submit a physical progress report of the refining facilities. Reports must be verified by an Independent Verifier and submitted to the Minister through the Director General every three months. The quarterly report must be submitted no later than 15 working days after the end of the calendar month.

**8. Supervision:**

The Director General supervises the implementation of this regulation.



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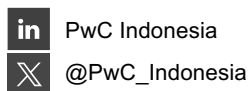
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