

Revokes [0007 Year 2005](#) , [27 year 2006](#) , [28 Year 2006](#)

Type: REGULATION (PER)
By: MINISTER OF ENERGY AND MINERAL RESOURCES OF THE
REPUBLIC OF INDONESIA (MESDM)
Number: 29 YEAR 2017
Date: MARCH 30, 2017 (JAKARTA)
Title: LICENSING ON OIL AND NATURAL GAS BUSINESS ACTIVITIES

BY THE GRACE OF THE ONE ALMIGHTY GOD

MINISTER OF ENERGY AND MINERAL RESOURCES OF THE REPUBLIC OF
INDONESIA,

Considering:

- a. whereas in order to increase the investment climate to be more conducive and for the uninterrupted implementation of oil and natural gas business activities, it is necessary to perform arrangement of licensing on oil and natural gas business activities;
- b. whereas based on the consideration as referred to in letter a, it is necessary to stipulate a Regulation of the Minister of Energy and Mineral Resources regarding Licensing on Oil and Natural Gas Business Activities;

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 the State Gazette of the Republic of Indonesia Number 4152);
2. Government Regulation Number [35 Year 2004](#) regarding Upstream Oil and Natural Gas Business Activities (State Gazette of the Republic of Indonesia Year 2004 Number 123, Supplement to the State Gazette of the Republic of Indonesia Number 4435) as amended several times, most recently by Government Regulation Number [55 Year 2009](#) regarding Second Amendment to Government Regulation Number 35 Year 2009 regarding Upstream Oil and Natural Gas 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);
3. Government Regulation Number [36 Year 2004](#) regarding Downstream Oil and Natural Gas Business Activities (State Gazette of the Republic of Indonesia Year 2004 Number 124, Supplement to the State Gazette of the Republic of Indonesia Number 4436) as amended by Government Regulation Number [30 Year 2009](#) regarding Amendment to Government Regulation Number 36 Year 2004 regarding Downstream Oil and Natural Gas 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);

4. 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 Presidential Regulation Number 68 Year 2015 regarding Ministry of Energy and Mineral Resources (State Gazette of the Republic of Indonesia Year 2016 Number 289);
5. Regulation of the Minister of Energy and Mineral Resources Number 13 Year 2016 regarding Organization and Work Procedures of the Ministry of Energy and Mineral Resources (Official Gazette of the Republic of Indonesia Year 2016 Number 782);

HAS DECIDED:

To stipulate: REGULATION OF THE MINISTER OF ENERGY AND MINERAL RESOURCES REGARDING LICENSING ON OIL AND NATURAL GAS BUSINESS ACTIVITIES.

CHAPTER I GENERAL PROVISION

Article 1

In this Ministerial Regulation, referred to as:

1. Natural Oil shall be the outcome of natural process in the form of hydrocarbon in atmospheric pressure and temperature in the form of liquid or solid phase, including asphalt, mineral wax or ozocerite and bitumen that are obtained from mining process, but excluding coal or other hydrocarbon sedimentation in solid form obtained from activities unrelated to oil and natural gas business activities.
2. Natural Gas shall be the outcome of natural process in the form of hydrocarbon in atmospheric pressure and temperature in the form of gas phase obtained from the mining process of Oil and Natural Gas.
3. Non-Conventional Oil and Natural Gas, hereinafter referred to as Non-Conventional Oil and Natural Gas, shall be oil and natural gas managed from the reservoir of formation of oil and natural gas with low permeability, among others shale oil, shale gas, tight sand gas, coal methane gas and methane-hydrate, by using a particular technology such as fracturing.
4. General Survey shall be field activity that includes collection, analysis, and presentation of data related to the information on geological condition to estimate the location and potential resources of Oil and Natural Gas outside the Work Area.
5. Work Area shall be a particular area within the Indonesian Mining Legal Area for the performance of Exploration and Exploitation.
6. Upstream Business Activities shall be business activities that are related to or based upon Exploration and Exploitation business activities.

7. Downstream Business Activities shall be business activities that are related to or based upon business activities of Processing, Transportation, Storage and/or Trade.
8. Processing shall be the activity of refining, extracting the parts, improving the quality, and improving the added value of Natural Oil and/or Natural Gas, but excluding field processing.
9. Transportation shall be the activity of removal of Natural Oil, Natural Gas, and/or the Processed Products from Work Area or reservoir and processing, including transportation of Natural Gas through transmission and distribution Pipelines.
10. Storage shall be the activity of reception, collection, containment, and release of Natural Oil and/or Natural Gas.
11. Trade shall be the activity of buying, selling, exporting, importing Natural Oil and/or the Processed Products, including Trade of Natural Gas through Pipelines.
12. Holder of Permit shall be Business Entity or Contractor that is granted Survey Permit or Permit on Utilization of Data of Oil and Natural Gas in upstream oil and natural gas activities.
13. Survey Permit shall be permit granted to Holder of Permit to perform General Survey in an Open Area of Oil and Natural Gas or survey outside the Work Area of Oil and Natural Gas.
14. Temporary Business Permit shall be temporary permit in the context of construction of utilities and facilities to perform business activities and arrangement of licensing from other institutions that is granted to a Business Entity prior to granting the Business Permit for Processing, Storage, Transportation and Trade of Oil and Natural Gas.
15. Business Permit shall be the permit granted to a Business Entity to perform Processing, Transportation, Storage and/or Trade to acquire profits and/or benefits.
16. Holder of Business Permit shall be Business Entity that is granted Business Permit for Processing, Storage, Transportation or Trade of Oil and Natural Gas.
17. Gas Fuel, hereinafter abbreviated as BBG, shall be fuel to be used in transportation activities, which originates from Natural Gas and/or Processed Products from Oil and Natural Gas.
18. Liquefied Petroleum Gas, hereinafter abbreviated as LPG, shall be hydrocarbon gas liquefied with pressure to facilitate the storage, transportation, and handling, which basically consists of propane, butane, or mixture of both.
19. Liquefied Natural Gas, hereinafter abbreviated as LNG, shall be Natural Gas mainly consisting of liquefied methane in very low temperature (approximately minus 160°C) and maintained in liquid form to facilitate the transportation and stockpiling.
20. Compressed Natural Gas, hereinafter abbreviated as CNG, shall be Gas Fuel that originates from Natural Gas with main element in the form of compressed

methane (C1) and maintained as well as stored in specific pressurized vessel to facilitate the transportation and stockpiling that can be used as fuel for vehicle.

21. Contractor shall be a Business Entity or Permanent Establishment established to perform exploration and exploitation in a Work Area based on cooperation contract with the Special Task Force for Upstream Oil and Natural Gas Business Activities.
22. Business Entity shall be a company in the form of legal entity that runs a permanent, continuous type of business, and established in accordance with the applicable laws and regulations as well as operating and domiciled in the territory of the Unitary State of the Republic of Indonesia.
23. Minister shall be the Minister whose field, duties, and responsibilities include oil and natural gas business activities.
24. Directorate General shall be the Directorate General that has the duties of organizing the formulation and implementation of policies in the field of development, control, and supervision of activities of oil and natural gas.
25. Director General shall be the Director General who has the duties of organizing formulation and implementation of policies in the field of development, control, and supervision of activities of oil and natural gas.

Article 2

The purpose and objective of this Ministerial Regulation shall be to implement arrangement of licensing on oil and natural gas business activities in order that the licensing becomes more simple, transparent, effective, efficient and accountable.

CHAPTER II TYPE OF LICENSING

Article 3

Licensing on oil and natural gas business activities shall include:

- a. Survey Permit;
- b. Permit for Utilization of Data of Oil and Natural Gas;
- c. Business Permit for Processing of Oil and Natural Gas;
- d. Business Permit for Storage of Oil and Natural Gas;
- e. Business Permit for Transportation of Oil and Natural Gas; and
- f. Business Permit for Trade of Oil and Natural Gas.

Article 4

(1) Survey Permit as referred to in Article 3 sub-article a shall include the activities of:

- a. General Survey of conventional Oil and Natural Gas;
- b. General Survey of Non-Conventional Oil and Natural Gas;
- c. Survey outside the Work Area of conventional Oil and Natural Gas; and
- d. Survey outside the Work Area of non-conventional Oil and Natural Gas.

- (2) Permit for Utilization of Data of Oil and Natural Gas as referred to in Article 3 sub-article b shall include, among others, activities of:
- a. utilization of data from General Survey, joint study, exploration, and exploitation activities, for evaluation purpose and data processing domestically or overseas;
 - b. utilization of data from General Survey, joint study, exploration, and exploitation activities for scientific purpose domestically or overseas; and/or
 - c. utilization of data from exploration and exploitation activities for the purpose of disclosed data in the context of transfer of interest, including the virtual opening of data.
- (3) Business Permit for Processing of Oil and Natural Gas as referred to in Article 3 sub-article c shall include the activities of:
- a. processing of Natural Oil;
 - b. processing of Natural Gas;
 - c. processing of Processed Products; and
 - d. processing from other raw materials.
- (4) Business Permit for Storage of Oil and Natural Gas as referred to in Article 3 sub-article d shall include the activities of:
- a. storage of Natural Oil;
 - b. storage of Fuel Oil;
 - c. storage of LPG, LNG, CNG, or BBG; and
 - d. storage of Processed Products.
- (5) Business Permit for Transportation of Oil and Natural Gas as referred to in Article 3 sub-article e shall include the business activities of:
- a. transportation of Natural Oil;
 - b. transportation of Fuel Oil;
 - c. transportation of Natural Gas through Pipelines;
 - d. transportation of LPG, LNG, CNG, or BBG; and
 - e. transportation of Processed Products.
- (6) Business Permit for Trade of Oil and Natural Gas as referred to in Article 3 sub-article f shall include the activities of:
- a. trade of Natural Oil;
 - b. General trade of Fuel Oil;
 - c. Limited trade of Fuel Oil;
 - d. trade of Processed Products;
 - e. trade of Natural Gas through Pipelines;
 - f. trade of Natural Gas with distribution network facilities (Downstream Dedicated Pipelines);
 - g. trade of Natural Gas through Pipelines with facilities of receiving terminal and re-gasification of LNG; and
 - h. trade of LPG, LNG, CNG or BBG.

CHAPTER III

REQUIREMENTS, PROCEDURES FOR APPLICATION FOR LICENSING AND ADJUSTMENT OF BUSINESS PERMIT

Part One

Administrative and Technical Requirements as well as Procedures for Application for Licensing

Article 5

- (1) In order to obtain Survey Permit for General Survey activities of conventional Oil and Natural Gas or General Survey activities of Oil and Natural Gas as referred to in Article 4 paragraph (1) sub-paragraphs a and b, Business Entity shall submit an application to the Minister through the Director General by enclosing administrative and technical requirements.
- (2) The administrative and technical requirements as referred to in paragraph (1) as well as the procedures for submission of Survey Permit for General Survey activities of conventional Oil and Natural Gas or General Survey activities of Non-Conventional Oil and Natural Gas shall be set forth in Attachment I that constitutes an inseparable part of this Ministerial Regulation.
- (3) The Director General shall perform evaluation of the compliance with the obligations and completeness of administrative and technical requirements as set forth in paragraph (2).

Article 6

- (1) In order to obtain Survey Permit for Survey activities outside the Work Area of conventional Oil and Natural Gas or Survey Permit for Survey activities outside the Work Area of Non-Conventional Oil and Natural Gas as referred to in Article 4 paragraph (1) sub-paragraphs c and d, the Contractor shall submit an application to the Minister through the Director General by enclosing administrative and technical requirements.
- (2) The administrative and technical requirements as referred to in paragraph (1) as well as the procedures for submission of Survey Permit for Survey activities outside the Work Area of conventional Oil and Natural Gas or Survey Permit for Survey activities outside the Work Area of Non-Conventional Oil and Natural Gas, shall be set forth in Attachment II that constitutes an inseparable part of this Ministerial Regulation.

Article 7

- (1) The Director General shall perform evaluation of the compliance with the obligations and completeness of administrative and technical requirements for Survey activities as set forth in Article 5 paragraph (2) and Article 6 paragraph (2).
- (2) Based on the evaluation as referred to in paragraph (1), the Director General shall provide recommendation to the Minister to issue Survey Permit as referred to in Article 4 paragraph (1).
- (3) Based on the result of recommendation as referred to in paragraph (2), the Minister shall issue Survey Permit as referred to in Article 4 paragraph (1).

Article 8

- (1) In order to obtain Permit on Utilization of Data of Oil and Natural Gas as referred to in Article 4 paragraph (2), Business Entity or Contractor shall submit an application to the Minister through the Director General by enclosing administrative and technical requirements.
- (2) The administrative and technical requirements as referred to in paragraph (1) as well as the procedures for submission of Permit on Utilization of Data of Oil and Natural Gas shall be set forth in Attachment III that constitutes an inseparable part of this Ministerial Regulation.
- (3) The Director General shall perform evaluation of the compliance with the obligations and completeness of administrative and technical requirements as set forth in paragraph (2).
- (4) Based on the evaluation as referred to in paragraph (3), the Director General shall provide recommendation to the Minister to issue Permit on Utilization of Data of Oil and Natural Gas as referred to in paragraph (1).
- (5) Based on the result of recommendation as referred to in paragraph (4), the Minister shall issue Permit on Utilization of Data of Oil and Natural Gas.

Article 9

- (1) In order to obtain Business Permit for Processing of Oil and Natural Gas as referred to in Article 4 paragraph (3), Business Entity shall submit an application to the Minister through the Director General by enclosing administrative and technical requirements.
- (2) The administrative and technical requirements as referred to in paragraph (1) as well as the procedures for submission of Business Permit for Processing of Oil and Natural Gas shall be set forth in Attachment IV that constitutes an inseparable part of this Ministerial Regulation.

Article 10

- (1) In order to obtain Business Permit for Storage of Oil and Natural Gas as referred to in Article 4 paragraph (4), Business Entity shall submit an application to the Minister through the Director General by enclosing administrative and technical requirements.
- (2) The administrative and technical requirements as referred to in paragraph (1) as well as the procedures for submission of Business Permit for Storage of Oil and Natural Gas shall be set forth in Attachment V that constitutes an inseparable part of this Ministerial Regulation.

Article 11

- (1) In order to obtain Business Permit for Transportation of Oil and Natural Gas as referred to in Article 4 paragraph (5), Business Entity shall submit an application to the Minister through the Director General by enclosing administrative and technical requirements.

- (2) The administrative and technical requirements as referred to in paragraph (1) as well as the procedures for submission of Business Permit for Transportation of Oil and Natural Gas shall be set forth in Attachment VI that constitutes an inseparable part of this Ministerial Regulation.

Article 12

- (1) In order to obtain Business Permit for Trade of Oil and Natural Gas as referred to in Article 4 paragraph (6), Business Entity shall submit an application to the Minister through the Director General by enclosing administrative and technical requirements.
- (2) The administrative and technical requirements as referred to in paragraph (1) as well as procedures for submission of Business Permit for Trade of Oil and Natural Gas shall be set forth in Attachment VII that constitutes an inseparable part of this Ministerial Regulation.

Article 13

The format of statement of commitment of Business Entity in the arrangement of Business Permit as referred to in Article 4 shall be set forth in Attachment VIII that constitutes an inseparable part of this Ministerial Regulation.

Article 14

- (1) The Director General shall perform evaluation of the compliance with the obligations and completeness of administrative and technical requirements as referred to in Article 9 up to and including Article 12.
- (2) If required, the Directorate General may request for clarification from the Business Entity with regard to the administrative and/or technical requirements as referred to in paragraph (1).
- (3) Based on the evaluation as referred to in paragraph (1), the Director General shall provide recommendation on the following matters to the Minister:
 - a. in the event that it is still required to construct utilities and facilities to perform business activities and licensing from other institution, the Minister shall issue Temporary Business Permit; or
 - b. in the event that there is no requirement for the preparation of utilities and facilities to perform business activities and licensing from other institution, the Minister shall issue Business Permit.

Article 15

- (1) Temporary Business Permit as referred to in Article 14 paragraph (3) subparagraph a, shall include at least the following:
 - a. name of Business Entity;
 - b. type of Business Permit granted in accordance with the submitted application;
 - c. location of business activities;
 - d. facilities;
 - e. initial investment amount;

- f. period; and
 - g. obligations of the Business Entity to complete the construction of utilities and facilities required for its business activities and licensing from other institution within a particular period.
- (2) Excluded from the provision as referred to in paragraph (1) sub-paragraph g, shall be with regard to the Temporary Business Permit of Transportation for Transportation activities of Natural Gas through Pipelines containing provisions regarding prohibition from developing facilities and utilities prior to obtaining Transportation Special Right for the transmission section or distribution network area of Natural Gas.

Article 16

- (1) Holder of Temporary Business Permit that has completed the construction of utilities and facilities required, shall be obligated to perform operational trial of the utilities and facilities which have been completely built during the period of Temporary Business Permit as referred to in Article 14 paragraph (3) sub-paragraph a.
- (2) When performing operational trial as referred to in paragraph (1), Holder of Temporary Business Permit shall be prohibited from performing business activities.
- (3) In the event that during the performance of operational trial as referred to in paragraph (1) there are products that must be technically distributed to other parties, the Holder of Temporary Business Permit shall be obligated to request for approval from the Director General.
- (4) For the distribution as referred to in paragraph (3) compensation may be given by the recipient of product in the ordinary course of business.

Article 17

- (1) In the event that the Holder of Temporary Business Permit has complied with all obligations in the Temporary Business Permit as referred to in Article 15 paragraph (1) sub-paragraph g, the Holder of Temporary Business Permit shall be obligated to report the compliance with its obligations to the Director General accompanied with the delivery of completeness of the required additional requirements as set forth in Attachment IV up to and including Attachment VII that constitute inseparable parts of this Ministerial Regulation.
- (2) The Director General shall perform evaluation of the compliance with the obligations and completeness of additional administrative and technical requirements as referred to in paragraph (1).
- (3) Based on the evaluation as referred to in paragraph (2), the Director General shall provide recommendation to the Minister to issue Business Permit for Processing, Storage, Transportation and/or Trade of Oil and Natural Gas as referred to in Article 3 sub-articles c up to and including f.
- (4) Based on the recommendation from the Director General as referred to in paragraph (3), the Minister shall issue Business Permit for Processing, Storage, Transportation and/or Trade of Oil and Natural Gas.

Article 18

The Business Permit as referred to in Article 14 paragraph (3) sub-paragraph b and Article 17 paragraph (4), shall include at least the following:

- a. name of Business Entity;
- b. type of Business Permit given in accordance with the submitted application;
- c. location of business activities;
- d. facilities;
- e. obligations of Business Entity;
- f. period; and
- g. sanction in the form of written reprimand, postponement, freezing, and revocation of Business Permit in the occurrence of violation.

Article 19

- (1) Business Entity as the Holder of Permit may perform other Survey activities within the scope of Survey Permit as referred to in Article 4 paragraph (1) sub-paragraphs a and b.
- (2) Contractor as the Holder of Permit may perform other Survey activities within the scope of Survey Permit as referred to in Article 4 paragraph (1) sub-paragraphs c and d.
- (3) Business Entity as the Holder of Permit may perform other activities within the scope of Utilization of Data of Oil and Natural Gas as referred to in Article 4 paragraph (2) sub-paragraphs a and b.
- (4) Contractor as the Holder of Permit may perform other activities within the scope of Utilization of Data of Oil and Natural Gas as referred to in Article 4 paragraph (2) sub-paragraphs a, b and c.
- (5) Business Entity and Contractor as Holders of Permit as referred to in paragraph (1) up to and including paragraph (4), shall be obligated to submit an application to the Minister through the Director General by completing the necessary administrative and technical requirements.

Article 20

- (1) Holder of Business Permit may perform other Business Permits within the scope as referred to in Article 3 sub-articles c up to and including f and/or Article 4 paragraph (3) up to and including paragraph (6).
- (2) Holder of Business Permit as referred to in paragraph (1), shall be obligated to submit an application to the Minister through the Director General by completing the necessary administrative and technical requirements.

Part Two Adjustment to Business Permit

Article 21

- (1) Holder of Business Permit shall be obligated to perform adjustment to the Business Permit as referred to in Article 14 paragraph (3) sub-paragraph b and Article 17 paragraph (4), in the occurrence of change and/or addition to the:

- a. utilities and facilities as well as location of business activities; or
 - b. type of commodities and/or trademark for the Holder of Trade Business Permit of Oil and Natural Gas having Trade Business Permit.
- (2) Holder of Business Permit shall submit an application for adjustment to Business Permit to the Minister through the Director General by enclosing technical data related to the change as referred to in paragraph (1).
 - (3) The Director General shall perform evaluation of the application for adjustment and attachment to the technical data as referred to in paragraph (2).
 - (4) In the event that the results of evaluation upon the application for adjustment and attachment to the technical data as referred to in paragraph (3) has been declared complete and correct, the Director General shall provide recommendation to the Minister to issue adjustment to Business Permit.
 - (5) Based on the recommendation as referred to in paragraph (4), the Minister shall issue adjustment to Business Permit.
 - (6) To the Holder of Business Permit that will perform construction in the change and/or addition of utilities and facilities as referred to in paragraph (1) sub-paragraph a, the Minister shall issue Temporary Business Permit in the context of change and/or addition.
 - (7) Holder of Temporary Business Permit as referred to in paragraph (6) shall be obligated to report the completion of construction of utilities and facilities as well as implementation of operational trial as referred to in Article 16 paragraph (1) to the Director General.
 - (8) Based on the report as referred to in paragraph (7), the Director General shall provide recommendation to the Minister to issue adjustment to Business Permit.

CHAPTER IV PERIOD AND RENEWAL OF PERMIT

Article 22

The period of the permits as referred to in Article 4 shall be given in accordance with the provisions in each licensing document concerned.

Article 23

The period of Survey Permit and Permit for Utilization of Data of Oil and Natural Gas as referred to in Article 4 paragraph (1) and paragraph (2) and the renewal thereof, shall be as follows:

- a. for the Survey Permit in General Survey activities of conventional Oil and Natural Gas as referred to in Article 4 paragraph (1) sub-paragraph a shall be set forth at a maximum of 12 (twelve) months and may be renewed for a maximum of 6 (six) months for each renewal as well as followed up by cooperation contract for storage, maintenance, and socialization of data by the Center for Data and Information Technology on Energy and Mineral Resources;

- b. for the Survey Permit in General Survey activities of Non-Conventional Oil and Natural Gas as referred to in Article 4 paragraph (1) sub-paragraph b shall be set forth at a maximum of 12 (twelve) months and may be renewed for a maximum of 6 (six) months for each renewal as well as followed up by cooperation contract for storage, maintenance, and socialization of data by the Center for Data and Information Technology on Energy and Mineral Resources;
- c. cooperation contract as referred to in sub-articles a and b shall be set forth for:
 - 1) seismic 3D (three dimension) with a maximum period of 15 (fifteen) years and may be renewed with a maximum period of 5 (five) years in each renewal; or
 - 2) seismic 2D (two dimension) and non-seismic (geology, geophysics and geochemical) with a maximum period of 10 (ten) years and may be renewed with a maximum period of 5 (five) years in each renewal,
- d. for the Survey Permit in Survey activities outside the Work Area of conventional Oil and Natural Gas as referred to in Article 4 paragraph (1) sub-paragraph c shall be set forth at a maximum of 6 (six) months and may be renewed for a maximum of 3 (three) months for each renewal;
- e. for the Survey Permit in Survey activities outside the Work Area of Non-Conventional Oil and Natural Gas as referred to in Article 4 paragraph (1) sub-paragraph d shall be set forth at a maximum of 6 (six) months and may be renewed for a maximum of 3 (three) months for each renewal;
- f. for the Permit for Utilization of Data of Oil and Natural Gas as referred to in Article 4 paragraph (2) sub-paragraphs a and b shall be set forth at a maximum of 6 (six) months and may be renewed for a maximum of 3 (three) months for each renewal; and
- g. for the Permit for Utilization of Data of Oil and Natural Gas as referred to in Article 4 paragraph (2) sub-paragraph c shall be set forth at a maximum of 12 (twelve) months and may be renewed for a maximum of 6 (six) months for each renewal.

Article 24

- (1) Application for renewal of permit as referred to in Article 23 shall be submitted within a maximum period of 1 (one) month prior to the expiration of such permit.
- (2) Application for renewal of cooperation contract as referred to in Article 23 sub-article c shall be submitted within a maximum period of 6 (six) months prior to the expiration of such cooperation contract.

Article 25

- (1) Temporary Business Permit as referred to in Article 15 may be given for a maximum period of 3 (three) years.
- (2) In the event that the period of Temporary Business Permit has expired and the Holder of Temporary Business Permit has not complied with the obligations as referred to in Article 15 paragraph (1) sub-paragraph g, the Holder of Temporary Business Permit may apply for renewal of Temporary Business Permit.

- (3) Holder of Temporary Business Permit may submit application for renewal of Temporary Business Permit to the Minister through the Director General and accompanied with the reason for renewal as well as enclosing the report on implementation of construction of utilities and facilities as referred to in Article 15 paragraph (1) sub-paragraph g.
- (4) The Director General shall perform evaluation of the application for renewal of Temporary Business Permit as referred to in paragraph (3) by taking into account the following matters:
- a. Holder of Temporary Business Permit has completed at least 50% (fifty percent) of the physical construction of utilities and facilities;
 - b. the occurrence of circumstance beyond the capability of the concerned Holder of Temporary Business Permit (force majeure) that includes, natural disaster, riots, war, treachery, revolution, fire, embargo, sabotage, blockade, strike, chaos, rebellion, quarantine isolation and epidemy; and/or
 - c. factor of readiness of the supply of Natural Oil and/or Natural Gas from the supplier.
- (5) Renewal of Temporary Business Permit as referred to in paragraph (2) may be given 1 (one) time for a maximum period of 2 (two) years.

Article 26

The period of Business Permit as referred to in Article 4 paragraph (3) up to and including paragraph (6), shall be as follows:

- a. for Business Permit for Processing of Oil and Natural Gas as referred to in Article 4 paragraph (3) shall be at a maximum of 30 (thirty) years and may be renewed for a maximum of 20 (twenty) years for each renewal;
- b. for Business Permit for Storage of Oil and Natural Gas as referred to in Article 4 paragraph (4) shall be at a maximum of 20 (twenty) years and may be renewed for a maximum of 10 (ten) years for each renewal;
- c. for Business Permit for Transportation of Oil and Natural Gas as referred to in Article 4 paragraph (5) shall be at a maximum of 20 (twenty) years and may be renewed for a maximum of 10 (ten) years for each renewal; and
- d. for Business Permit for Trade of Oil and Natural Gas as referred to in Article 4 paragraph (6) shall be at a maximum of 20 (twenty) years and may be renewed for a maximum of 10 (ten) years for each renewal.

Article 27

The application for renewal of Business Permit as referred to in Article 26 shall be submitted by no later than 3 (three) months prior to expiration of the Business Permit.

CHAPTER V OBLIGATIONS AND PROHIBITIONS FOR HOLDER OF PERMIT AND HOLDER OF BUSINESS PERMIT

Part One
Obligations and Prohibitions for Holder of Permit

Article 28

- (1) Holder of Permit as referred to in Article 4 paragraph (1) sub-paragraphs a and b shall have the following obligations:
 - a. to provide and bear all funds and risks;
 - b. to enter into cooperation contract with the Center for Data and Information Technology on Energy and Mineral Resources regarding storage, maintenance, and socialization of data;
 - c. to report the progress of implementation of the General Survey to the Director General;
 - d. to deliver copy of all data from the General Survey by no later than 3 (three) months following completion of the General Survey; and
 - e. to perform the obligations set forth in the Survey Permit.
- (2) The cooperation contract with the Center for Data and Information Technology on Energy and Mineral Resources as referred to in paragraph (1) sub-paragraph b, shall include, at least, the following provisions:
 - a. scope of cooperation;
 - b. period of cooperation contract;
 - c. proprietary right and socialization of data from the General Survey;
 - d. obligations of the Holder of Permit to report the storage, maintenance, and socialization of data;
 - e. obligations of the Holder of Permit to provide and bear all funds and risks;
 - f. obligations of the Holder of Permit to handover all data from the General Survey activities including the data produced from interpretation and other supporting data in a state of worthy of use;
 - g. obligations of the Holder of Permit to provide support in the context of promotion of new Working Area performed by the Directorate General from the area of General Survey activities;
 - h. obligations of the Holder of Permit to perform evaluation of data in the context of planning and preparing the Work Area; and
 - i. obligations of the Holder of Permit to pay Non-Tax State Revenues upon the result of every socialization of data.
- (3) The Holder of Permit that enters into cooperation contract as referred to in paragraph (2), shall be obligated to handover all data acquired to the Minister.

Article 29

- (1) The Holder of Survey Permit for Survey activities outside the Work Area of conventional Oil and Natural Gas or Survey activities outside the Work Area of Non-Conventional Oil and Natural Gas as referred to in Article 4 paragraph (1) sub-paragraphs c and d shall have the following obligations:
 - a. hands over the seismic data acquired from Survey activities outside the Work Area as referred to in Article 4 paragraph (1) sub-paragraphs c and d by no later than 3 (three) months as from the expiration of extraction, processing and interpretation of data to the Directorate General;
 - b. performs survey with reference to the technical guidelines set forth by the Director General;
 - c. be obligated to sign a data non-disclosure agreement, in the event that the survey is performed by a third party;
 - d. reports the result of implementation of the survey and details of the seismic data to the Directorate General within a maximum period of 14 (fourteen) days as from the end of the survey;
 - e. be obligated to report the change of survey activities by no later than 14 (fourteen) calendar days prior to the implementation of activities; and
 - f. performs the obligations set forth in the Survey Permit.
- (2) The Holder of Permit as referred to in paragraph (1) shall be prohibited from transferring the seismic data to any third party without the approval of the Minister through the Director General.

Article 30

- (1) The Holder of Permit on Utilization of Data of Oil and Natural Gas for activities of utilization of data from General Survey, exploration and exploitation activities for evaluation and data processing domestically or overseas as referred to in Article 4 paragraph (2) sub-paragraph a shall have the following obligations:
 - a. signs a non-disclosure agreement with the recipient of data, drawn up in the Indonesian language and English language and witnessed by an officer of the Directorate General at the location of data delivery;
 - b. maintains the confidentiality of data;
 - c. delivers data to the determined country in the event that data is delivered overseas; and
 - d. performs the obligations set forth in the Permit for Utilization of Data of Oil and Natural Gas.
- (2) The Holder of Permit as referred to in paragraph (1) shall be prohibited from the following:

- a. selling, trading, publishing or disclosing data from the General Survey, exploration and exploitation activities to any other party without approval of the Director General; and
- b. delivering data from the General Survey, exploration and exploitation activities to another country without approval of the Director General.

Article 31

- (1) The Holder of Permit for Utilization of Data of Oil and Natural Gas for activities of utilization of data from the General Survey, exploration and exploitation activities for scientific purpose domestically or overseas as referred to in Article 4 paragraph (2) sub-paragraph b, shall have the following obligations:
 - a. delivers 1 (one) copy of paper by no later than 14 (fourteen) calendar days prior to publication to undergo evaluation by the Directorate General;
 - b. requests for validation of paper from the Directorate General; and
 - c. performs the obligations set forth in the Permit for Utilization of Data of Oil and Natural Gas.
- (2) The Holder of Permit as referred to in paragraph (1) shall be prohibited from including the actual figures on reserve of Natural Oil and/or Natural Gas, location and name of well, rock unit and seismic course.

Article 32

- (1) The Holder of Permit for Utilization of Data of Oil and Natural Gas for activities of utilization of data from exploration and exploitation activities for the purpose of disclosed data in the context of transfer of interest, including virtual opening of data as referred to in Article 4 paragraph (2) sub-paragraph c shall have the obligations:
 - a. signs a non-disclosure agreement with recipient of data, drawn up in the Indonesian language and English language and witnessed by an officer of the Directorate General at the location of data delivery;
 - b. maintains the confidentiality of data;
 - c. requests the Directorate General to witness the performance of disclosed data in the context of transfer of interest; and
 - d. performs the obligations set forth in the Permit for Utilization of Data of Oil and Natural Gas.
- (2) The Holder of Permit as referred to in paragraph (1) shall be prohibited from transferring, publishing and disclosing data from exploration and exploitation activities to any other party without approval of the Directorate General.

Part Two

Obligations and Prohibitions for Holder of Temporary Business Permit

Article 33

- (1) The Holder of Temporary Business Permit as referred to in Article 14 paragraph (3) sub-paragraph a shall have the obligations as follows:
 - a. to perform construction of utilities and facilities in accordance with the approved utilities and facilities construction plan;
 - b. to use standard items and equipment in accordance with the provisions of laws and regulations;
 - c. to use good technical principles;
 - d. to utilize items, equipment, services, technology as well as engineering and design capability available domestically;
 - e. to prioritize the use of Indonesian workers by taking into account the utilization of local workers in accordance with the required competency standards;
 - f. to guarantee the occupational safety and health and environmental management;
 - g. to report to the Minister through the Director General regarding the progress of utilities and facilities construction approved once every 3 (three) months or at any time if required; and
 - h. to perform the obligations set forth in the Temporary Business Permit.
- (2) The Holder of Temporary Business Permit shall be prohibited from conducting business activities.
- (3) The Holder of Temporary Business Permit for activities of Transportation of Natural Gas through pipelines shall be prohibited from conducting construction of pipelines for transmission section and/or distribution network area of Natural Gas prior to having Transportation Special Right for the transmission section or distribution network area of Natural Gas.

Part Three Obligations of Holder of Business Permit

Article 34

- (1) The Holder of Business Permit as referred to in Article 3 sub-articles c up to and including f shall have the following obligations:
 - a. to guarantee and be responsible for the use of equipment, accuracy, and measuring gauge system used that are compliant with the standards in accordance with the provisions of laws and regulations;
 - b. to guarantee that the quality of product or commodity is in accordance with the standards set forth by the Director General;
 - c. to guarantee the occupational safety and health, environmental management as well as development of local community;

- d. to perform assignment from the Minister in the context of provision of the reserve of National Fuel Oil and Gas Fuel;
 - e. to report and/or submit the application for adjustment of Business Permit in the event of any change of administrative and technical data;
 - f. to comply with the licensing set forth by the relevant Institution in accordance with the provisions of laws and regulations; and
 - g. to perform the obligations set forth in the Business Permit.
- (2) The Holder of Business Permit as referred to in Article 3 sub-articles c, e, and f shall be obligated to report to the Minister through the Director General regarding implementation of its business activities once every 1 (one) month or at any time if required.
- (3) The Holder of Business Permit as referred to in Article 3 sub-article d shall be obligated to report to the Minister through the Director General regarding its business activities once every 3 (three) months or at any time if required.

Article 35

With regard to Natural Oil Processing business activities with a maximum refinery capacity of 20,000 (twenty thousand) oil barrels per day in a cluster, Temporary Business Permit shall be granted to the Business Entity stipulated as the implementing party of the construction of small scale oil refinery or to Business Entity that receives assignment for constructing small scale oil refinery from the Minister.

Article 36

The Holder of Trade Business Permit of Oil and Natural Gas for Trade Business activities of Natural Gas with distribution network facilities (Downstream Dedicated Pipelines) as referred to in Article 4 paragraph (6) sub-paragraph f, shall be obligated to acquire Special Right in accordance with the provisions of laws and regulations.

Article 37

The Holder of Business Permit for Storage of Oil and Natural Gas as referred to in Article 4 paragraph (4) shall be obligated to provide opportunity to Holder of Trade Business Permit of Oil and Natural Gas as referred to in Article 4 paragraph (6) to utilize jointly the storage utilities and facilities owned by taking into account the technical and economic aspects.

Article 38

The Holder of Trade Business Permit of Oil and Natural Gas for General Trade Business activities of Fuel Oil as referred to in Article 4 paragraph (6) sub-paragraph b that develops General Trade Business Activities of Fuel Oil may control the storage facilities owned by Holder of Storage Business Permit for Storage activities of Fuel Oil.

Article 39

The Holder of Trade Business Permit of Oil and Natural Gas for Trade Business activities of BBG as referred to in Article 4 paragraph (6) sub-paragraph h that performs

development of Trade Business Activities of BBG, may distribute BBG through distributors of BBG appointed or through selection.

Article 40

In performing Trade Business Activities of Oil and Natural Gas as referred to in Article 4 paragraph (6), the Holder of Business Permit shall have the following obligations:

- a. to guarantee the availability of Natural Oil, Natural Gas, Fuel Oil, BBG, CNG, LNG, LPG, and Processed Products continuously in its trade distribution network;
- b. to guarantee the selling price of Fuel Oil, Natural Gas, BBG, CNG, LNG and LPG is in accordance with those set forth and/or determined by the Minister; and
- c. to guarantee and be responsible for the standard and quality (specification) of Fuel Oil, BBG, CNG, LNG, LPG and Processed Products up to the end consumers in accordance with those set forth by the Director General.

Article 41

- (1) The Holder of Trade Business Permit of Oil and Natural Gas for General Trade Business activities of Fuel Oil, as referred to in Article 4 paragraph (6) sub-paragraph b in addition to complying with the obligations as referred to in Article 40 shall have the following obligations:
 - a. to have and use particular trademark that has acquired validation from the competent institution;
 - b. to perform direct distribution activities of Fuel Oil to transportation consumers (land transportation) in a maximum of 20% (twenty percent) of the total distribution activities managed by the Holder of Business Permit and the remainder can be performed only by Distributor; and
 - c. to have operational reserve of BBM in accordance with the provisions of laws and regulations that is calculated from the average volume of daily distribution in the previous year.
- (2) The Holder of Trade Business Permit of Oil and Natural Gas for Limited Trade activities of Fuel Oil as referred to in Article 4 paragraph (6) sub-paragraph c, in addition to complying with the obligations as referred to in Article 40 shall have the following obligations:
 - a. to perform Trade business activities to large users that own/control facilities and utilities in ports and/or receiving terminals and/or to Holders of General Trade Business Permits; and
 - b. to guarantee and be responsible up to the large users that own/control facilities and utilities in ports and/or receiving terminals and/or to Holders of General Trade Business Permits for the standard and quality (specifications) of Fuel Oil in accordance with those set forth by the Director General.
- (3) The Holder of Trade Business Permit of Oil and Natural Gas for Trade Business activities of LPG, as referred to in Article 4 paragraph (6) sub-paragraph h, in

addition to complying with the obligations as referred to in Article 40 shall have the following obligations:

- a. to have operational reserve of LPG in accordance with the provisions of laws and regulations that is calculated from the average volume of daily distribution in the previous year;
 - b. to have and use a particular trademark that has acquired validation from the competent institution;
 - c. to perform direct general distribution activities of LPG to small, transportation and household customers or through Distributors of LPG appointed or through selection; and
 - d. to provide opportunity to other Business Entities to utilize jointly the utilities and facilities owned and/or controlled including the utilities and facilities owned and/or controlled by its distributors in the event of scarcity of LPG.
- (4) The Holder of Trade Business Permit of Oil and Natural Gas for Trade activities of LNG as referred to in Article 4 paragraph (6) sub-paragraph h in addition to complying with the obligations as referred to in Article 40 shall have the following obligations:
- a. to distribute LNG to:
 - 1) End consumers;
 - 2) Holder of Trade Business Permit for Trade activities of LNG that has/controls storage and/or transportation facilities and utilities of LNG that distributes LNG to end consumers; and/or
 - 3) Holder of Trade Business Permit for Trade activities of Natural Gas through Pipelines or Trade Business Activities of Natural Gas Having Distribution Network Facilities (Downstream Dedicated Pipelines) that distributes Natural Gas produced from re-gasification to end consumers,
 - b. to has and/or controls utilities and facilities to perform storage and/or transportation activities including facilities utilities of filling LNG as the support of its Trade Business Activities as well as utilities and facilities of recipient of LNG in consumers.
- (5) In the event that the Holder of Business Permit as referred to in paragraph (4) only has and/or controls facilities and utilities to perform transportation activities of LNG, the Holder of Business Permit may only distribute LNG to end consumers.
- (6) The Holder of Trade Business Permit of Oil and Natural Gas for Trade Business activities of BBG, as referred to in Article 4 paragraph (6) sub-paragraph h in addition to complying with the obligations as referred to in Article 40 shall have the obligations as follows:
- a. to have and use a particular trademark that has acquired validation from the competent institution; and

- b. to perform direct distribution activities of BBG for the transportation sector and/or through distributors of BBG appointed or through selection.
- (7) The Holder of Trade Business Permit of Oil and Natural Gas for Trade Business activities of CNG, as referred to in Article 4 paragraph (6) sub-paragraph h in addition to complying with the obligations as referred to in Article 40 shall have the obligations as follows:
- a. to have and use a particular trademark that has acquired validation from the competent institution;
 - b. to distribute CNG to:
 - 1) end consumers;
 - 2) Holder of Trade Business Permit for trade business activities of CNG that has or controls the storage and/or transportation facilities and utilities of CNG that distributes CNG to end consumers; and/or
 - 3) Holder of Trade Business Permit for Trade activities of Natural Gas through Pipelines or Trade business activities of Natural Gas With Distribution Network Facilities (Downstream Dedicated Pipelines) that distributes Natural Gas from re-gasification to end consumers,
 - c. to have and/or control utilities and facilities in the form of CNG Compression Station and/or CNG transportation facilities (Tube Skid/Gas Transport Module) and/or recipient facilities in consumers.
- (8) In the event that the Holder of Business Permit as referred to in paragraph (7) only has and/or controls the facilities and utilities to perform transportation activities of CNG, the Holder of Business Permit shall be only able to distribute CNG to end consumers.

Article 42

The Holder of Trade Business Permit of Oil and Natural Gas for Trade Business activities of Fuel Oil, BBG and/or LPG, as referred to in Article 4 paragraph (6) sub-paragraphs b and h may appoint distributors of Fuel Oil, BBG and LPG consisting of Cooperatives, Small Businesses and/or National Private Enterprises.

Article 43

- (1) Determination of Trade Distribution Area for a particular type of Fuel Oil shall be based on the Trade Business Area for a particular type of Fuel Oil set forth by the Minister.
- (2) The Holder of Trade Business Permit of Oil and Natural Gas for Fuel Oil General Trade Business activities as referred to in Article 4 paragraph (6) sub-paragraph b performing trade business activities of a particular type of Fuel Oil, shall be obligated to obtain determination of Trade Distribution Area for a particular type of Fuel Oil from the Regulatory Agency prior to commencing its business activities.

Article 44

The Holder of Trade Business Permit of Oil and Natural Gas for LPG Trade Business activities as referred to in Article 4 paragraph (6) sub-paragraph h performing trade business activities of particular LPG shall be obligated to acquire determination of Trade Distribution Area for Particular LPG from the Minister prior to commencing its business activities.

CHAPTER VI DEVELOPMENT AND SUPERVISION

Article 45

The Minister through the Director General shall perform development and supervision of the performance of business activities carried out by the Holder of Permit and the Holder of Business Permit.

CHAPTER VII ADMINISTRATIVE SANCTION

Article 46

- (1) The Minister may impose administrative sanction to The Holder of Permit and The Holder of Business Permit as referred to in Article 3 and Article 4 which violate the provisions of Article 15, Article 16, Article 17, Article 19, Article 20, Article 21, Article 28, Article 29, Article 30, Article 31, Article 32, Article 33, Article 34, Article 35, Article 36, Article 37, Article 40, Article 41, Article 43 and Article 44.
- (2) Administrative sanction as referred to in paragraph (1) may be in the form of:
 - a. written warning;
 - b. temporary suspension of activities; or
 - c. revocation of permit.

Article 47

The written warning as referred to in Article 46 paragraph (2) sub-paragraph a shall be given in a maximum of 3 (three) times, with a maximum interval of each warning shall be 2 (two) months.

Article 48

- (1) In the event that following expiration of the period of written warning as referred to in Article 47, the Holder of Permit and the Holder of Business Permit have not performed their obligations, they shall be subject to administrative sanction in the form of temporary suspension of activities as referred to in Article 46 paragraph (2) sub-paragraph b.
- (2) Administrative sanction in the form of temporary suspension of activities as referred to in paragraph (1) shall be imposed within a maximum period of 6 (six) months.

Article 49

In the event that up to the expiration of period of sanction of temporary suspension of activities as referred to in Article 46 paragraph 2 sub-paragraph b, the Holder of Permit and the Holder of Business Permit still have not performed their obligations, the Director General on behalf of the Minister may revoke the permit.

CHAPTER VIII MISCELLANEOUS PROVISION

Article 50

- (1) The implementation of licensing on oil and natural gas business activities as referred to in Article 3 shall be performed through web-based electronic media (online system).
- (2) In the event that the implementation of the granting of licensing as referred to in paragraph (1) cannot yet be performed, the granting of licensing shall be performed manually.

Article 51

- (1) Arrangement of the application for licensing on oil and natural gas business activities shall be performed directly by the Board of Directors of the Business Entity or the Permanent Establishment without intermediary.
- (2) In the event that the arrangement of application for licensing as referred to in paragraph (1) is not performed by the Board of Directors of Business Entity or Permanent Establishment, the process of issuance of licensing may be annulled.

CHAPTER IX TRANSITIONAL PROVISIONS

Article 52

Any reference to the type of licensing set forth in the existing provisions of laws and regulations prior to the entry into force of this Ministerial Regulation shall be adjusted to the reference of type of licensing under this Ministerial Regulation.

Article 53

- (1) Permits that have been issued prior to the entry into force of this Ministerial Regulation shall remain applicable up to the expiration of the permit and shall be read equally to the reference of type of licensing in this Ministerial Regulation.
- (2) Settlement of application for licensing that has been submitted to the Minister prior to the entry into force of this Ministerial Regulation shall still be processed in accordance with this Ministerial Regulation and the reference thereof shall be adjusted to this Ministerial Regulation.

CHAPTER X CLOSING PROVISIONS

Article 54

At the time this Ministerial Regulation comes into effect:

1. Regulation of the Minister of Energy and Mineral Resources Number [0007 Year 2005](#) regarding Requirements and Guidelines for the Implementation of Business Permit in Downstream Oil and Natural Gas Business Activities;
2. Regulation of the Minister of Energy and Mineral Resources Number [27 year 2006](#) regarding Processing and Utilization of Data Obtained from General Survey of Oil and Natural Gas Exploration and Exploitation insofar as governing the granting of licensing; and
3. Regulation of the Minister of Energy and Mineral Resources Number [28 Year 2006](#) regarding Guidelines on and Procedures for the Implementation of General Survey in Upstream Oil and Natural Gas activities insofar as governing the granting of licensing,

shall be revoked and declared null and void.

Article 55

This Ministerial Regulation shall come into effect after 1 (one) month as from the date of its promulgation.

For public cognizance, ordering the promulgation of this Ministerial Regulation in the Official Gazette of the Republic of Indonesia.

Stipulated in Jakarta
on 30 March 2017
MINISTER OF ENERGY AND MINERAL RESOURCES OF THE
REPUBLIC OF INDONESIA,
sgd
IGNASIUS JONAN

Promulgated in Jakarta
on 12 April 2017
DIRECTOR GENERAL OF
LAWS AND REGULATIONS OF THE
MINISTRY OF LAW AND HUMAN RIGHTS OF THE
REPUBLIC OF INDONESIA,
sgd.
WIDODO EKATJAHJANA

OFFICIAL GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2017 NUMBER 569

Issued as a true copy
MINISTRY OF ENERGY AND MINERAL RESOURCES
Head of Legal Affairs Bureau,
sgd and stamped
Hufron Asrofi
Civil Service Reg. No. (NIP) 196006181985031002

NOTE

Attachment cannot be enclosed yet

Source: LOOSE LEAF OF REGULATION OF THE MINISTER OF ENERGY AND
MINERAL RESOURCES YEAR 2017