

BAN ON RAW MINERAL EXPORTS AMENDED FURTHER

Nov 20, 2013

The Ban on Raw Mineral Exports under Regulation of the Minister of Energy and Mineral Resources Number 7 of 2012 ("**Regulation No. 7 of 2012**"), has been further amended by Regulation of the Minister of Energy and Mineral Resources Number 20 of 2013 ("**Regulation No. 20/2013**").

One amendment under Regulation No. 20/2013 is to the annexes on the minimum mineral, non-metal mineral and rock mineral processing.

It is worth noting that under Regulation No. 20/2013, IUP holders are no longer allowed to cooperate with other IUP holders to build joint processing and refining facilities. This form of cooperation was previously allowed under Regulation No. 7 of 2012. Accordingly, IUP holders who do not obtain economic benefit from processing and refining themselves may only cooperate in the sale and purchase of ores or concentrates, or conduct processing and refining in cooperation with other IUP holders who own their own processing and refining facilities. Such cooperation between IUP holders requires approval from the Minister of Energy and Minerals Resources, Governor, or Regent/Mayor, depending on who initially issued the IUP.

Under Regulation No. 20 of 2013, IUP Operation Production and IPR holders may only sell unprocessed ores and raw materials offshore until 12 January 2014. This is a new limitation as under Regulation No. 7 of 2012 and its amendment 4 by Regulation of the Minister of Energy and Mineral Resources Number 11 of 2012, the offshore sale of unprocessed ores and raw materials was prohibited after 3 months as of the promulgation of Regulation No. 20 of 2013 for Operation Production IUPs and IPR holders whose licenses were issued before the promulgation of Regulation No. 20 of 2013, unless the Operation Production IUP or IPR holder obtained a recommendation from the Minister of Energy and Mineral Resources c.q. the Director General. Under Regulation No. 20 of 2013, to be able to sell unprocessed ores and raw materials offshore, Operation Production IUP and IPR holders are also required to obtain export approval from the Minister of Trade after obtaining a recommendation from the

Minister of Energy and Mineral Resources.