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I. Nishimura & Asahi enters new Indonesian association

We are pleased to announce a new association with Indonesian law firm Walalangi & Partners (“W&P”) as part of our firm’s strategy to strengthen and expand our Indonesian network. W&P was founded by experienced Indonesian corporate and financing lawyer Luky Walalangi. Luky is supported by a group of dynamic and talented Indonesian lawyers as well as by a Japanese *bengoshi* who will be transferred to Jakarta from our Tokyo head office. Our focus will be on supporting inbound investment and financing activity into Indonesia in a variety of sectors, especially by Japanese corporations, in addition to building relationships with domestic corporate clients.

Managing Partner, Masaki Hosaka, commented: “Nishimura & Asahi has been involved in Indonesian business for a number of years and the opportunity to develop a close relationship based around supporting the strategic needs of our clients in Indonesia is fundamental to delivering the best service to those clients. We have worked with Luky Walalangi for a number of years and respect and admire his ability to deliver the standards of service expected by our clients.”

Luky Walalangi added: “I am delighted to be able to strengthen the existing relationship with N&A, with the support of outstanding Indonesian lawyers dedicated to supporting the needs of our common client base in areas ranging from M&A and inbound investment to real estate, energy and natural resources, antitrust and finance. We have a clear strategy and aim to exceed our clients’ high expectations.”

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II. Simplifications and Regulatory Improvement in Indonesia's Energy and Mining Sectors

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To simplify and improve the investment climate in Indonesia, on 5 February 2018 the Ministry of Energy and Mineral Resources (MEMR) announced a plan to revoke 32 energy regulations: 11 regulations from the oil and gas sector, 7 regulations from the mineral and coal sector, 7 regulations from the renewable energy sector, 4 regulations from the electricity sector, and ultimately, 3 regulations from the special task force for upstream oil and gas business activity (SKK Migas). Subsequently, on 12 February 2018 MEMR announced a proposal to combine 51 energy regulations into 29 regulations, with the aim of easing investment.

Once effective, the plan is expected to directly impact mining and energy business activities and to provide flexibility in certain areas, including on the obligation to deliver 25% of oil and gas production for domestic needs (as per the MEMR Regulation No. 02/2008), and the simplification of procedures to import goods upstream (as per the MEMR Regulation No. 037/2006). In the Minerals and Coal Sector, the revocation of regulations related to application of KP, KK, and PKP2B should provide more consistency for mining activities, particularly in relation to the Mining Business License (*Izin Usaha Pertambangan*).

Practitioners are now anticipating the issuance of the implementing regulations.

The details of the 32 revoked regulations listed in the press release on 5 February 2018 are listed below.

Oil and Gas

1. Minister of Energy and Mineral Resource Regulation No. 02/1975 concerning the Work Safety at Distribution Pipelines and Fitting Facilities to Transport Oil and Gas Outside the Oil and Gas Mining Working Area;
2. Minister of Energy and Mineral Resource Decree No. 1454 K/30/MEM/2000 concerning the Technical Guidance on the Implementation of Government Duties in the Oil and Gas Sector;
3. Minister of Energy and Mineral Resource Regulation No. 0008/2005 concerning the Incentives to Develop the Marginal Oil Field;
4. Minister of Energy and Mineral Resource Regulation No. 0044/2005 concerning the Provision and Distribution of Specific Types of Oil Fuel;
5. Minister of Energy and Mineral Resource Regulation No. 26/2006 concerning the Oil Fuel for the Empowerment of the Shipping Industry;
6. Minister of Energy and Mineral Resource Regulation No. 02/2008 concerning the Implementation of Oil and Gas Domestic Market Obligations by Cooperation Contract Contractors;
7. Minister of Energy and Mineral Resource Regulation No. 22/2008 on Types of Non-refundable Fees to the Cooperation Contract Contractors in the Oil and Gas Upstream Sector;
8. Minister of Energy and Mineral Resource Regulation No. 06/2010 concerning the Policy Guidelines on Increasing the Oil and Gas Production;
9. Minister of Energy and Mineral Resource Regulation No. 31/2013 concerning the Foreign Workers;
10. Minister of Energy and Mineral Resource Regulation No. 22/2016 concerning the Implementation of the Construction of the Small Scale Domestic Oil Refineries;
11. Minister of Energy and Mineral Resource Regulation No. 51/2017 concerning the Development and Management of Stated Owned Assets in the Oil and Gas Upstream Activity.

Minerals and Coal

1. Minister of Mining and Energy Decree No. 2555.K of 1993 concerning the Granting of Mining Inspection Enforcer in the General Mining Sector;
2. Minister of Mining and Energy Decree No. 1614 of 2004 concerning the Guidelines on Processing the Contract of Work (*Kontrak Karya* or “KK”) and Coal Contract of Work (*Perjanjian Karya Pengusahaan Batubara* or “PKP2B”) Applications for Foreign Capital Investment;
3. Minister of Mining and Energy Decree No. 134.K/201/MPE/1996 concerning the Use of Maps, Clarification of Borderlines and Areas of Mining Authorization (*Kuasa Pertambangan* or “KP”) KK and PKP2B in the General Mining Sector;
4. Minister of Mining and Energy Decree No. 135.K/201/MPE/1996 concerning the Abilities and Capabilities of the KP, KK and PKP2B Applicants;
5. Minister of Mining and Energy Decree No. 103.K/008/MPE/1994 concerning the Supervision of the Implementation of the Environmental Management Plans and Environmental Monitoring Plans in the Mining and Energy Sector;
6. Minister of Mining and Energy Decree No. 620.K/008/MPE/1994 concerning the Environmental Impact Analysis Commission of the Department of Mining and Energy;
7. Minister of Mining and Energy Decree No. 2202.K/201/MPE/1994 concerning the Granting of Preliminary Investigation Permission Letter for Foreign Capital Investment or Domestic Capital Investment in the General Mining Sector.

Electric Power

1. Minister of Mining and Energy Regulation No. 03.P/451/M.PE/1991 concerning the Requirements for Electric Power Installation;
2. Minister of Energy and Mineral Resource Regulation No. 33/2008 concerning the Electric Power Sales Price provided by PT *Pelayanan Listrik Negara* (PT PLN) Persero Batam;
3. Minister of Energy and Mineral Resource Regulation No. 04/2012 concerning the Electric Power Purchase Price by PT PLN Persero from the Small and Medium Scale Renewable Energy Electric Power Plant or Excess of Electricity Power;
4. Minister of Mining and Energy Regulation No. 02.P/451/M.PE/1991 concerning the Relationship between the Holders of Electricity Business Authorization (*Kuasa Usaha Ketenagalistrikan*) and the Holders of Electricity Business License (*Izin Usaha Ketenagalistrikan*) for Public and People interest.

New Renewable Energy and Energy Conservation

1. Minister of Energy and Mineral Resource Regulation No. 13/2012 concerning the Saving of Electric Power Consumption;
2. Minister of Energy and Mineral Resource Regulation No. 14/2016 concerning the Energy Conservation Services Business;
3. Minister of Energy and Mineral Resource Regulation No. 19/2015 concerning the Power Purchases from the Hydro Power Plants with a Maximum Capacity of 10 MW by PT PLN Persero;
4. Minister of Energy and Mineral Resource Regulation No. 19/2016 concerning the Power Purchases from the Solar Photovoltaic Power Plants by PT PLN Persero;
5. Minister of Energy and Mineral Resource Regulation No. 21/2016 concerning the Power Purchases from the Biomass and Biogas Power Plants by PT PLN Persero;
6. Minister of Energy and Mineral Resource Regulation No. 11/2009 concerning the Guidelines on Geothermal Activities;
7. Minister of Energy and Mineral Resource Regulation No. 18/2012 as the amendment of Minister of Energy and Mineral Resource Regulation No. 11/2009.

SKK Migas

1. Guidelines on Operating Procedures No. 012 of 2007 concerning the Operation and Maintenance of Oil and Gas Distribution Pipelines;
2. Guidelines on Operating Procedures No. 013 of 2007 concerning the Operation and Maintenance of Oil Storage Tank;
3. Guidelines on Operating Procedures No. 037 of 2017 concerning the Approval to Produce 1 Water Well.

The details of regulations that are to be simplified or revoked that was announced 12 February 2018 (*the list of regulations from SKK Migas have yet to be included*) are as follows.

Regulation (Before)	Regulation (After)	Substance
Oil and Gas = 7 Regulations		
1. Minister of Energy and Mineral Resource Regulation No. 16/2011 – Oil Fuel Distribution Activities	COMBINED 1. Minister of Energy and Mineral Resource Regulation Draft – Distribution of Oil Fuel (BBM), Gas Fuels (BBG), and Liquefied Petroleum Gas (LPG)	<ul style="list-style-type: none"> ● simplification of legal form of the Distributors of <i>BBM</i>, <i>BBG</i>, and <i>LPG</i> ● provides legal basis for sub-distributors (for One Price <i>BBM</i> program.) ● eliminating the requirement of <i>SKP's (Surat Ketetapan Pajak)</i> approval and to only report its distributors to the Directorate General of Oil and Gas
2. Minister of Energy and Mineral Resource Regulation No. 26/2009 – Supply and Distribution of <i>LPG</i>		
3. Minister of Energy and Mineral Resource Regulation No. 037/2006 – Procedure for Application of Imports and Goods Settlement for Upstream Business Operations	REVISED 2. Minister of Energy and Mineral Resource Regulation Draft – Imports of Operational Goods for Upstream Oil and Gas Business Activities	<ul style="list-style-type: none"> ● simplification of procedures and service improvements in the application of the plan for the needs of imported goods ● accommodate the regulation on the import of operating goods for the Contractor whose Cooperation Contract (<i>Kontrak Kerja Sama</i> or “<i>KKS</i>”) is in the form of Gross Split Contract
4. Minister of Energy and Mineral Resource Regulation No. 06/2016 – Stipulation of Allocation and Utilization and the Price of Gas	REVISED 3. Minister of Energy and Mineral Resource Regulation Draft – Amendment to Regulation of Minister of Energy and Mineral Resource Regulation no.	the revision purpose is to provide a positive investment climate in the field of gas through the involvement of <i>BU Niaga Gas Bumi</i> which has a gas distribution network facility
5. Minister of Energy and Mineral Resource Regulation No. 38/2017 – Examination of Safety Installation and Equipment of Oil and Gas Business Activities	REVISED 4. Minister of Energy and Mineral Resource Regulation Draft – Examination of Safety Installation and Equipment of Oil and Gas Business Activities	<ul style="list-style-type: none"> ● simplification for the purpose to simplify the operation approval procedure as output of safety inspection of oil and gas installation and equipment ● eliminating design approval and approval of use and the Directorate General of Oil and Gas only issued the operation approval.
6. Minister of Energy and Mineral Resource Regulation No. 35/2008 – Procedures for the Stipulation and Tender of Working Areas of Oil and Gas	COMBINED 5. Minister of Energy and Mineral Resource Regulation Draft – Tender of Working Areas of Oil and Gas	<ul style="list-style-type: none"> ● Available <i>Working Area</i> auction arrangements in addition to Regular Auction and Direct Deals Auction (Joint Study) ● provide legal certainty regarding

7. Minister of Energy and Mineral Resource Regulation No. 36/2008 – Procedures for the Stipulation and Tender of Working Areas of Coal Methane Gas		the period of announcement & signing of Cooperation Contract (<i>Kontrak Kerja Sama</i> or “KKS”) ● privilege arrangement for Pertamina to obtain the Participating Interest (PI) in the maximum of 15% from winning bidder
8. Minister of Energy and Mineral Resource Regulation No. 05/2012 – Procedures for Stipulation and Tender of the Working Areas of Non-Conventional Oil and Gas		
9. Minister of Energy and Mineral Resource Regulation No. 01/2011 – Technical Guidelines for Discharge of Offshore (<i>lepas pantai</i>) Oil and Gas Installation	COMBINED 6. Minister of Energy and Mineral Resource Regulation Draft regarding Post-Operation Activities in Upstream Oil and Gas Business Activities	arrangement for Contractor’s obligation to conduct post-operation activities
10. Minister of Energy and Mineral Resource Regulation No. 27/2008 – Oil and Gas Supporting Business Activities	REVISED 7. Minister of Energy and Mineral Resource Regulation Draft – Oil and Gas Supporting Business Activities	simplification of procedures in oil and gas supporting business activities (removing Letter of Registration of Supporting Business Activity (<i>Surat Keterangan Terdaftar Usaha Penunjang Migas</i> or “SKT”) requirement and the Letter of Capacity for Supporting Business Activity (<i>Surat Kemampuan Usaha Penunjang</i> or “SKUP”) is already sufficient.
Electric Power – 1 Regulation		
11. Minister of Energy and Mineral Resource Regulation No. 0045/2005 –Installation of Electricity	COMBINED 8. Minister of Energy and Mineral Resource Regulation Draft – Safety of Electricity	Adding some substance according to the mandate of Government Regulation No. 14/2012, not only installation of electricity but also the substances concerning the safety of electricity
12. Minister of Energy and Mineral Resource Regulation No. 046/2006 – Amendment of the Minister of Energy and Mineral Resource Regulation No. 0045/2005 regarding Installation of Electricity		
Mineral and Coal = 1 Regulation		
13. Minister of Energy and Mineral Resource Regulation No. 12/2011 – Procedure for Stipulation of the Mining Area (<i>Wilayah Usaha Pertambangan</i> or “WUP”) and Information System of Mineral and Coal Mining Areas	COMBINED 9. Minister of Energy and Mineral Resource Regulation Draft - Procedure for Granting of Area, Licensing and Reporting in the Mineral and Coal Mining Business activities	simplification of the procedure for the stipulation of mining area, licensing, and reporting. This Ministerial Regulation will remove various existing licenses, among others:
14. Minister of Energy and Mineral Resource Regulation No. 25/2016 – Amendment to Minister of Energy and Mineral Resource Regulation No. 12/2011		a. Registered Certificate (<i>Surat Keterangan Terdaftar</i>)/ Evidence of Registration (<i>Tanda Registrasi</i>)
15. Minister of Energy and Mineral Resource Regulation No. 28/2013 – Procedure for Auction of Mining Business License Area (<i>Wilayah Izin Usaha Pertambangan</i> or “WIUP”) and		b. Principle License of Processing and / or Refining c. Recommendations to use foreign workers (<i>Tenaga Kerja Asing</i> or “TKA”) for operation under IUP (<i>Izin Usaha Pertambangan</i>) or the Mining Business License,

<p>Special Mining Business License Area (Wilayah Izin Usaha Pertambangan Khusus or “WIUPK”) on Mining Business Activities of Metals Minerals and Coal</p>		<p>IUPK (<i>Izin Usaha Pertambangan Khusus</i>) or the Special Mining Business License and Supporting Business Activity License (Izin Usaha Jasa Penunjang or “IUJP”)</p>
<p>16. Minister of Energy and Mineral Resource Regulation No. 34/2017 - Licensing in the Sector of Mineral and Coal Mining</p>		<p>d. TKA recommendation for IUP Production Operation specifically for transportation and sales</p>
<p>17. Minister of Energy and Mineral Resource Regulation No. 15/2017 - Procedure of Granting of IUPK Production Operation as the Continuance of KK or PKP2B Operation</p>		<p>e. RKAB (<i>Rencana Kegiatan dan Anggaran Biaya</i>) or the Activity and Budgeting Plan for IUJP f. RKAB for IUP Production Operation specifically for transportation and sales</p>
<p>18. Minister of Energy and Mineral Resource Decree No. 1453/2000 - Technical Guidelines for Implementation of Government Duties in the Sector of General Mining</p>		<p>g. Approval of Feasibility Study for IUP Production Operation specifically for processing and / or refining h. Tools Certification i. Recommendation of Coal ET or <i>Eksportir Terdaftar</i> or Registered Exporters (in Ministry of Trade confirmation) j. Recommendation of Registered Exporters (ET) of tin (timah) (in in Ministry of Trade confirmation) k. Recommendation Letter of Approval of Export of Tin (subject to Ministry of Trade confirmation) l. Certification of technical workers m. Clear and Clean Certificate n. Approval of exploration report o. Approval of Plan for Changes in Investment and Financing Source including the Amendment of Issued and Paid Up Capital Changes p. Simplification Stages of activities for Contract of Work and PKP2B etc.</p>
<p>New Renewable Energy and Energy Conservation = 2 Regulations</p>		
<p>19. Minister of Energy and Mineral Resource Regulation No. 18/2014 – Insertion of Energy Saving Labels for <i>Swabalast</i> Lamps (Compact Fluorescent Lamps or the Energy Saving Light)</p>	<p>COMBINED</p> <p>10. Minister of Energy and Mineral Resource Regulation Draft - Implementation of SKEM (<i>Standar Kerja Energi Minimum</i>) or the Working Standard for Minimum Energy and Inclusion of Energy Efficient Labels for Energy Beneficiary Equipment</p>	<p>simplification of licensing of importation of energy beneficiary equipment in the framework of banned products</p>
<p>20. Minister of Energy and Mineral Resource Regulation No. 57/2017 - Implementation of Minimum Energy Performance Standard and Insertion of Energy Efficient Labels for Air Conditioning Device</p>		

<p>21. Minister of Energy and Mineral Resource Regulation No. 44/2016 - Form and Procedure for Reservation and Drawdown (<i>pencairan</i>) of Geothermal Exploration Commitment</p>	<p>COMBINED</p> <p>11. Minister of Energy and Mineral Resource Regulation Draft - Indirect Utilization of Geothermal</p>	<p>For the purpose of simplification of regulations, several Minister of Energy and Mineral Resource Regulation which are mandate of Government Regulation No. 7/2017 on Indirect Utilization of Geothermal is incorporated in 1 (one) Minister of Energy and Mineral Resource Regulation</p>
<p>22. Minister of Energy and Mineral Resource Regulation No. 21/2017 - Waste Management of Drill Mud and Drill Mills on Geothermal Drilling</p>		
<p>23. Minister of Energy and Mineral Resource Regulation No. 36/2017 - Procedure for Works Assignment of Preliminary Survey and the Works Assignment of Geothermal and Exploration Survey</p>		
<p>24. Minister of Energy and Mineral Resource Regulation No. 37/2017 - Geothermal Working Areas for Indirect Utilization</p>		

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Mark has 19 years' experience advising on the energy and natural resources projects, including ten years in Tokyo with a leading international law firm. He has extensive experience advising on Indonesian oil, gas and LNG projects and on related FEED, EPC and other engineering and construction contracts.

*Please note that we are not engaged in a Gaikokuho Kyodo Jigyo (the operation of a foreign law joint enterprise).



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Luky is the managing partner of Walalangi & Partners. He has more than 17 years' experience working at a major law firm in Indonesia. He has extensive experience in the fields of M&A, corporate & commercial transactions, project finance, and real estate.

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Miriam Andreta is a partner at Walalangi & Partners, with 13 years of experience acting for both foreign and domestic lenders in high profile Indonesian Merger & Acquisition, Banking & Finance, Oil & Gas and Antitrust matters. She represented a reputable foreign investment companies in upstream and downstream Oil and Gas projects.

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