

THE LAW ON THE BASIC PROVISIONS
OF MINING AND
ITS IMPLEMENTING REGULATIONS
THE MINISTRY OF MINES AND ENERGY
REPUBLIC OF INDONESIA
LAW NO. 11 YEAR 1967
ON
THE PROVISIONS OF MINING
WITH THE BLESSINGS OF GOD ALMIGHTY
THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

- a. that in order to speed up the realization of the National economic development leading to a just and prosperous Indonesian society physically and spiritually based on the Pantjasila it is deemed necessary to mobilize all funds and forces to process and develop the entire economic potential of mining into real economic potency;
- b. that for this reason, with respect to the 1945 Constitution, it is deemed necessary to revoke Law No. 37 Prp. of 1960 on Mining (State Gazette No. 119/1960) and to replace it with a new Basic Mining Law, which is more consistent with the prevailing circumstances within the framework of developing mining operations in Indonesia now and in the future;

Bearing in mind:

1. Article 5, paragraph (1) and Article 33 of the 1945 Constitution;
2. Decree of the People's Consultative Assembly No. XXI/MPRS/1966.
3. Decree of the People's Consultative Assembly No. XXIII/MPRS/1966.
4. Decree of the People's Consultative Assembly No. XXXIII/MPRS/1966.
5. Decision of the President of the Republic of Indonesia No. 163 of 1966;
6. Decision of the President of the Republic of Indonesia No. 171 of 1967;

**WITH THW APPROVAL OF THE PEOPLE'S HOUSE OF
REPRESENTATIVES" GOTONG ROYONG" HAS DECIDED**

- I. To revoke Law: No. 37 Prp. of 1960 on Mining (State Gazette No. 119 of 1960).

- II. To lay down: Law on the basic provisions of mining.

CHAPTER I

GENERAL PROVISIONS

Article 1. (Control of Minerals)

All minerals found within the Indonesian mining jurisdiction in the form of natural resources as blessing of God Almighty are national wealth of the Indonesian people and shall, therefore, be controlled and utilized by the State for maximum welfare of the people.

Article 2. (Terminology)

- a. **minerals: chemical elements, minerals, ores, and all kinds of rocks, including precious stones which constitute natural deposits.**
- b. **surface land: title to a piece of land according to Indonesian Law.**
- c. **general Survey: a general geological or geophysical survey on land, in water, and from the air, entirely for the purpose of drawing a general geological map, or with the purpose of assessing the indications of the presence of minerals in general.**
- d. **exploration: all geological and mining investigations in order to assess more accurately the occurrence and nature of minerals.**
- e. **exploitation: mining operation with the purpose of producing and utilizing minerals.**
- f. **processing and refining: the work of improving the quality of minerals as well as utilizing and obtaining the elements in mineral.**
- g. **transportation: all activities to move minerals and the products of the processed and refined minerals from the areas of exploration, or from the places of processing and refining.**
- h. **sales: all activities for the marketing of minerals and the products of the processed and refined minerals.**
- i. **mining authorization: authority granted to an agency or individual to conduct mining operations.**
- j. **minister: the Minister whose tasks covers mining affairs.**
- k. **Indonesian mining jurisdiction: the entire Indonesia archipelago, the land below Indonesian waters and the continental shelf of the Indonesian archipelago.**
- l. **State Enterprise: a. the State Enterprise as referred to in the current Law on State Enterprises.**

b. a corporate body whose capital originates from the State.

- m. Regional Enterprise: Enterprise as referred to in the current Law on Regional Enterprises.**
- a. people's mining: activities to mine minerals of all groups referred to in a, b and c of Article 3, paragraph (1), conducted by the local people in a small scale or in mutual co-operation using equipments, for their own living.**

CHAPTER II

GROUPING AND IMPLEMENTATION OF CONTROL OVER MINERALS

Article 3.

- 1. The minerals are divided into three groups:**
 - a. strategic minerals**
 - b. vital minerals.**
 - c. minerals not included in group a or b.**
- 2. The grouping of a mineral into any groups referred in paragraph (1) of this article is regulated by Government Regulation.**

Article 4.

- 1. The exercise of the State Control and the regulation of mineral operations concerning minerals referred to in Article 3 paragraph (1) letters a and b are effected by the Minister.**
- 2. The exercise of the State Control and the regulation of mining operations of minerals referred to in Article 3 paragraph (1) letter c are effected by the Government, of the Region of the First Level in whose territory the minerals occur.**
- 3. Taking into account the importance of development to the Regions in particular and of the State in general, the Minister may delegate the regulation of mining operations of certain minerals of the minerals referred to in Article 3 paragraph (1) letter b, to the Government of the Region of the First Level in whose territory the minerals occur.**

CHAPTER III

STRUCTURE AND ORGANIZATION OF MINING ENTERPRISE

Article 5.

Mining can be conducted by:

- a. **Government Agency appointed by the Minister.**
- b. **State Enterprise.**
- c. **Regional Enterprise.**
- d. **an Enterprise with joint capital between the State and a Region,**
- e. **a Cooperation,**
- f. **a private body or individual who is qualified as referred to in Article 12 paragraph (1).**
- g. **an enterprise with joint capital between the State and/or the Region and a cooperative and/or private body/individual who is qualified as referred to in Article 12 paragraph (1),**
- h. **by way of People's Mining**

Article 6.

The mining of minerals referred to in Article 3 paragraph (1) letter a shall be conducted by :

- a. **a Government Agency appointed by the Minister,**
- b. **a State Enterprise.**

Article 7.

The minerals referred to in Article 3 paragraph (1) letter a can also be mined by a private body which is qualified as referred to in Article 12 paragraph (1), if on the basis of economic and mining development considerations the Minister is of the opinion that it would be more profitable to the State if they are operated by a private body.

Article 8.

If the total mineral deposits referred to in Article 3 paragraph (1) letter a are so small that the Minister finds it more profitable if they are operated in a simple way or in a small scale, then, such mineral deposits may be operated by way of people's mining as referred to in Article 11.

Article 9.

- 1. **Mining of the minerals referred to in Article 3 paragraph (1), letter b is conducted by:**
 - a. **the State or the Region.**
 - b. **a private body or individual who is qualified as referred to in Article 12 paragraph (1).**

2. **The mining of minerals referred to in paragraph (1) letter a of this article can be conducted by:**
 - a. **Government Agency appointed by the Minister.**
 - b. **a State enterprise,**
 - c. **a Regional Enterprise,**
 - d. **an Enterprise with joint capital between the State/a State Enterprise and/or the Region /a Regional Enterprise on the one hand, and a private agency, body and/or individual on the other hand.**
 - e. **an Enterprise with joint capital between the State/a State Enterprise and/or the Region/Regional Enterprise on the one hand, and a private body and/or individual on the other hand..**
3. **The enterprise referred to in paragraph (2) letter d of this article shall be a corporate body provided that the private body and/or individual participating in the enterprise should be qualified as referred to in Article 12 paragraph (1).**

Article 10.

1. **The Minister may if necessary appoint any other party as contractor to carry out activities which have not yet been or can not be carried out by the Government agency or State Enterprise concerned as the holder of a Mining Authority.**
2. **In Concluding an agreement with the the contractpr as referred to in paragraph (1) of this article the Government Agency or the State Enterprise shall follow the guidance, instructions and conditions set by the Minister.**
3. **The agreement as referred to in paragraph (2) of this article shall be effective after being approved by the Government following its consultation with the People's House of Representatives if it concerns the exploitation of minerals of group a or minerals referred to in Article 13 or this Law and/or if such agreement concerns foreign capital investment.**

Article 11. (People's Mining)

1. **The objective of People's mining is to give local population opportunity to exploit minerals in theirs in their efforts to participate in the development of the State in the field of mining under the guidance of the Government.**
2. **People's Mining can only be carried out by the local people holding a Mining Authorization (permit) for People's Mining.**
3. **Provisions on People's Mining and the methods and conditions of obtaining a Mining Authorization (permit) for People's Mining shall be regulated by Government Regulation.**

Article 12.

- 1. Mining Authorization for carrying out the mining of minerals referred to as in Article 3 paragraph (1) letter b can be granted to**
 - a. a Corporate Body of a Cooperative.**
 - b. a Private Corporate Body established in accordance with the regulations of the Republic of Indonesia, having its domicile in Indonesia and the objective to do business in the field of mining, while the members of its board of executives shall be Indonesian citizens and residing in Indonesia.**
 - c. Individuals having Indonesian citizenship and residing in Indonesia.**
- 2. Especially with regard to exploitation, prior to the granting of a Mining Authorization to the party as mentioned in paragraph (1) of this article, the opinion of the Mining Council of which the formation and composition will be regulated by the Government, must be heard.**

Article 13.

By law there shall be regulated those minerals which shall exclusively be mined by the State, as well as the way in which the operations thereof shall be conducted.

CHAPTER IV

MINING ENTERPRISE

Article 14.

The mining for mineral may include;

- a. general survey.**
- b. exploration.**
- c. exploitation.**
- d. processing and refining.**
- e. transportation.**
- f. sales.**

CHAPTER V

MINING AUTHORIZATION

Article 15.

- 1. Mining operations as referred to in Article 14 may only be carried out by enterprises or individuals as mentioned in Article 6, 7, 8, and 9 after they have been granted a Mining Authorization.**

2. **Stipulations concerning the contents, the authority, the area of the territory and the terms of a Mining Authorizations as well as the possibility of granting an award for this discovery of minerals either directly by the Government or in the framework of the granting of a Mining Authorization are laid down by Government Regulation..**
3. **A Mining Authorization is granted by decision of the Minister. By such Ministerial Decision special Provisions may be stipulated in addition to what has been laid down by the Government Regulation mentioned in paragraph (2) of this article.**
4. **With the consent of the Minister, a Mining Authorization may be transferred to any other enterprise or individual if they satisfy the stipulations of Article 5, 6, 7, 8, 9 and 12.**

Article 16.

1. **In carrying out the mining activities based on a Mining Authorization, the existing People's Mining may not be disturbed, unless the Minister decides otherwise in the interest of the State.**
2. **The conduct of mining based on a Mining Authorization is not allowed in territories which are closed in the interest of the public and in the surroundings of fields and installations of defense.**
3. **The working area of mining activities based on a Mining Authorization does not include:**
 - a. **cemeteries, sacred places, public works, such as public roads, railways, waterlines, electric supply lines, gas lines etc.**
 - b. **the area of the mining activities.**
 - c. **buildings, dwellings, factories and surrounding compounds, except with the permission of those concerned..**
4. **In case of extreme necessity, in the interest of the mining activities based on a Mining Authorization, the removal as referred to in paragraph (3) of this article may be done at the expense of the holder of the Mining Authorization and after obtaining a permit from the competent authorities.**

CHAPTER VI PROCEDURES AND REQUIREMENTS FOR OBTAINING A MINING AUTHORIZATION

Article 17.

1. **Application for a Mining Authorization shall be submitted to the Minister.**

2. **By decision of the Minister are regulated the procedure for submitting application as referred to in paragraph (1) of this article, and also the requirements which must be fulfilled by the applicant, if such have not yet been stipulated in the Government Regulations as referred to in Article 15 paragraph (2).**

Article 18.

The application for a Mining Authorization will only be considered by the Minister after the applicant has proved his ability and capability with regard to the intend mining activities.

Article 19.

By submitting an application for a Mining Authorization the applicant has automatically declared to elect his domicile with the District Court located in the Area of the Region of the First Level concerned .

CHAPTER VII

TERMINATION OF MINING AUTHORIZATION

Article 20.

Mining Authorization, terminates:

- a. by its returning.
- b. by cancellation.
- c. due to the expiration of its term.

Article 21.

1. The holders of a Mining Authorization may return his Mining Authorization by written statement to the Minister.
2. This written statement referred to in paragraph (1) of this article shall be accompanied by sufficient reasons for returning the Mining Authorization.
3. The return of Mining Authorization is declared valid after being approved by the Minister.

Article 22.

1. The Mining Authorization may be canceled by decision of the Minister:
 - a. if the holder of the Mining Authorization fails to fulfill the requirements laid down by Government Regulation as referred to in Article 15 paragraph (2) or as stipulated in the Minister's Decision as referred to in Article 15 paragraph (3).
 - b. if the holder of the Mining Authorization disobeys the instructions and guidelines issued by the competent authority in the interest of the State.

2. A Mining Authorization may be cancelled by a decision of the Minister in the interest of the State.

Article 23.

If the term stipulated in a Mining Authorization elapses without being extended then the relevant Mining Authorization is considered to expire ipso jure.

Article 24.

1. If the Mining Authorization terminates for reasons as mentioned in Article 21, 22 paragraph (1) and Article 23, then:
 - a. all burdens annexed to the Mining Authorization terminate by law.
 - b. the relevant mining area falls back to the control of the State.
 - c. everything needed to safeguard the mining installations and the continuation of the attraction of minerals become the property of the State without compensation to the holder of the Mining Authorization.
 - d. enterprises or individuals holding such Mining Authorization are obligated to submit all printing blocks and maps, sketches, land measurements, etc. related to the mining activities to the Minister without compensation.
2. Notwithstanding the stipulation of paragraph (1) of this article, in the case of cancellation of the Mining Authorization in the interest of the State the holder thereof is entitled to receive appropriate compensation.
1. The Minister shall determine the time within which the a fire mentioned holder of the Mining Authorization is given the opportunity to remove all his property. Anything not so removed within the time limit set shall become the property of the State.

CHAPTER VIII

RELATION BETWEEN MINING AUTHORIZATION AND LAND RIGHTS

Article 25.

1. **The holder of the Mining Authorization is obligated to pay for the damage inflicted upon anything that is found on the surface, to the holder of the title to the land, both within and without the relevant mining area of the land caused by it as a consequence of his operations, regardless of whether or not such damage is caused by accident or whether or not the damage could have been anticipated.**
2. **The losses caused by the operations of two or more holders of a Mining Authorization may be recovered from them collectively.**

Article 26.

If a Mining Authorization has been obtained for a certain area according to the prevailing laws, then, those entitled to the land are obliged to allow the holder of the Mining Authorization to operate on the land concerned in mutual agreement, provided that:

- a. prior to the start of the operations those holding a title to the land shall be notified of the purpose and the location of the intended operations thereby showing them the Mining Authorization or an authorized copy thereof.
- b. the title holders of the land are compensated or secured of any indemnification in advance.

Article 27.

1. When already a right on land exists on a plot of land related to the area of the mining authority, the person entitled to it shall be given a compensation the amount of which is to be jointly fixed between the holder of the mining authority and the person entitled to said land on the basis of mutual deliberation and accord for a one-time compensation only or for the duration that said authority cannot enjoyed by him.
2. If those concerned are unable to reach an agreement on the compensation as referred to in paragraph (2) of this article, the determination thereof shall be left to the Minister.
3. If those concerned are not willing to accept the Minister's decision on compensation as referred to in paragraph (2) of this article, the determination shall be referred in paragraph (2) of this article, the determination shall be referred to the District Court having jurisdiction over the area/territory in which the relevant mining area located.
4. The compensation as referred to in paragraph (1), (2) and (3) of this article, inclusive of all expenses related to the settlement thereof shall be charged to the holder of the Mining Authorization concerned.
5. If a Mining Authorization has been issued for a piece of land for which no land rights have been granted, then no land rights may be granted for uch piece of land or part thereof, except with the approval of the Minister.

**CHAPTER IX
STATE LEVIES**

Article 28.

1. **The holder of Mining Authorization is due to pay to the State land rent, royalties for exploration and/or exploitation and/or other payments related to the Mining Authorization concerned.**
2. **The State levies as referred to in paragraph (1) of this article are further regulated by Government Regulation.**

3. **The Governments of the Regions of the First and the Second Rank are entitled to receive a portion of such State revenues, the provisions of which are regulated by Government Regulation.**

CHAPTER X

Mining Supervision

Article 29.

1. **The administration, supervision of the mining activities and the supervision of the mining products are centralized with the Minister and further regulated by Government Regulation.**
2. **The supervision as referred to in paragraph (1) of this article mainly involves labor safety the supervision of the production and other activities in mining related with the public interest,**

Article 30.

After completion of the mining for minerals in a certain mine, the holder of the relevant Mining Authorization obliged to restore the land in such condition so as not to evoke any danger of disease or any other danger to the people living in the environment of the mine.

CHAPTER XI

PENALTIES PROVISIONS

Article 31.

1. **Anyone carrying out mining activities referred to in Article 14 and 15 without holding a Mining Authorization is liable to imprisonment not exceeding six years and/or a fine not exceeding five hundred thousand rupiahs.**
2. **Anyone carrying out mining activities prior to the fulfilment of it has obligations against those entitled to the surface under this Law is liable to imprisonment not exceeding one year and/or a fine not exceeding fifty thousand rupiahs.**

Article 32.

1. **Anyone not having a title to the surface but nevertheless thwarts or in anyway interferes with the conduct of mining activities allowed by law is liable to detention not exceeding one year and/or a fine not exceeding fifty thousand rupiahs.**
2. **Anyone not having a title to the surface but nevertheless thwarts or in anyway interferes with mining operations allowed by law after the holder of the Mining Authorization has duly met the requirements as referred to in Articles 26 and 27 of this Law is liable to detention not exceeding three months and/or a fine not exceeding ten thousand rupiahs.**

Article 33.

A detention not exceeding three months and/or a fine not exceeding ten thousand rupiahs, are imposed against:

- a. the holder of a Mining Authorization who fails to comply with or to implement the requirements prevailing under this Law and/or the Law as referred to in Article 13 or the Government Regulation and/or Decision of the Minister issued on the basis of this Law and/or the Law as referred to in Article 13.
- b. the holder of a Mining Authorization who fails to carry out the orders and/or guidelines of the competent authorities by virtue of this Law.

Article 34.

1. If the holder of a Mining Authorization or his deputy is a corporation then the penalties as referred to in Article 21, 32 and 33 are imposed against the members of the Board of the Executive Directors.
2. The punishable acts as referred to in Article 31 paragraph (1) are full crimes where as the other acts are violations.

CHAPTER XII TRANSITORY AND FINAL PROVISIONS

Article 35.

1. **All mining rights and Mining Authorizations acquired by a State enterprise, private enterprise any other body or individual by virtue of the existing regulations prior to the coming into effect of this Law will remain in force for the duration of their respective terms for which they have been issued, unless it is stipulated otherwise by a Government Regulation issued by virtue of this Law.**
2. **Prior to the issuance of the Government Regulation as referred to in paragraph (1) above the holders of any mining right or authorization shall adjust themselves to the provisions under this Law..**

Article 36.

1. **All statutory enactments regulating matters related to the ways of mining conducted by State enterprises, private enterprises, other bodies or individuals as referred to in Article 35 paragraph (1) as well as other statutory regulations which are still effective at the moment of the coming into effect of this Law shall remain effective pending their substitution by new rules to be issued by virtue of this Law.**
2. **All statutory regulations originating from Law No. 37 (PrP) of 1960 which are still effective at the moment of the coming into effect of this Law shall continue in force to the extent that they are not revoked, or amended by virtue of this Law.**

Article 37.

This Law shall come into effect on the day of its enactment and shall be quoted as the BASIC MINING LAW.

In order that everyone may take cognizance it is hereby instructed that the enactment of this Law be published by placing in the State Gazette of the Republic of Indonesia.

Approved in: Djakarta

On: December 2, 1967

THE PRESIDENT REPUBLIC OF INDONESIA

SOEHARTO

GENERAL OF THE ARMY

Enacted in: DJAKARTA

On: December 2, 1967 60.