

Encourage Investment, Ministry of ESDM Revokes 22 Regulations

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The Ministry of Energy and Mineral Resources (ESDM) again simplified the regulation by revoking 22 regulations that were deemed irrelevant and hampering the investment process. A total of 51 regulations are simplified to only 29 regulations comprising regulations in the oil and gas subsector (from 10 to 7 regulations), electricity (2 to 1 regulation), mineral and coal sector (6 to 1 regulation), EBTKE (6 to 2 regulations), and ( )SKK Migas (27 to 18 regulations).

Minister of Energy and Mineral Resources, Ignasius Jonan, at a press conference at the Office of the Ministry of Energy and Mineral Resources, Jakarta (12/2) stated that the reduction or revocation of this regulation is done to encourage investment, as directed by Mr. President. "Following last week (withdrawing 32 regulations), we again reduced or revoked many regulations. Today, the total revoked 22 (regulation).We revoke the rules of ministerial regulations, ministerial decrees and operational guidelines, licensing rules and work regulations, both in the directorate general and in SKK Migas, that we revoke now,"said Jonan.

He said since last week a total of 54 regulations have been revoked. Jonan hopes, with the removal of irrelevant rules and impedes this investment will further increase the flexibility of investment. "Last week 32 and today 22 are revoked, so hopefully this will encourage big investment, as the investment plan in this sector, including in SKK and BPH this year is approximately USD 50 billion or doubled compared to 2017," he continued. As is known, the total investment realization of ESDM sector in 2017 reaches about USD 26 billion.

In the revocation and simplification of this regulation Jonan revealed, it holds on to three things. "One, the Constitution of the 1945 Constitution, Article 33, the second concerning salvation, and the third about its public governance, if 200 may be (up to) 3 months, so every week 20, maybe next week there are 10, two weeks again we continue to reduce,"he concluded.

Here are the details of 24 regulations simplified / revoked by the Ministry of ESDM (excluding the other 27 regulations on SKK Migas):

REGULASITION (BEFORE)	REGULASITION (AFTER)	SUBSTANCE
OIL AND GAS = 7		
1. <b>MESDM Regulation No. 16/2011</b> - Oil Fuel Distribution Activities	Combine 1. MESDM Regulation Draft	- Oil Fuel Disbursement, Gas Fuel, and Liquefied Petroleum Gas - simplification of legality form. <b>(REPORT ONLY)</b>

<p><b>2. MESDM Regulation No. 26/2009</b> - Supply and Distribution of LPG</p>	<p>- Activity Distributors of BBM, BBG, and LPG <i>Liquified Petroleum Gas</i></p>	<ul style="list-style-type: none"> <li>- provides the legal basis for sub-distributors (in the context of the Fuel and Oil One Price</li> <li>- eliminates SKP approval to report only to the Directorate General of Oil and Gas</li> </ul>
<p><b>3. MESDM Regulation No. 037/2006</b> - Procedures for Submission of Import and Completion of Goods for Upstream Operations Upstream Activities</p>	<p>REVISED 2. Draft MESDM Regulations - Imports of Goods of Operations for Upstream Oil and Gas Business Activities</p>	<ul style="list-style-type: none"> <li>- simplification of procedures and service improvements in the submission of import demand plan</li> <li>- accommodate the regulation on the import of operating goods for the Contractor whose KKS is in the form of Gross Split Distribution Contract</li> </ul>
<p><b>4. MESDM Regulation No. 06/2016</b> - Establishment of Allocation and Utilization and Natural Gas Price</p>	<p>Revised 3. Draft of MESDM Regulation - Amendment to Regulation of MESDM Regulation no. 06/2016 on the Stipulation of Allocation and Utilization and Revised Natural Gas Price</p>	<p>Revision aims to provide a positive investment climate in the field of natural gas trading through the involvement of BU Niaga Gas Bumi which has a gas distribution network facility</p>
<p><b>5. MESDM Regulation No. 38/2017</b> - Safety and Equipment Installation Checks on Oil and Gas Business Activities</p>	<p>Revised 4. Draft of MESDM Regulation - Inspection of Safety of Installation and Equipment on Oil and Gas Business Activities</p>	<ul style="list-style-type: none"> <li>- the simplification is aimed to simplify the operation approval procedure as output of safety inspection of oil and gas installation and equipment</li> <li>- eliminating design approval and approval of use and the Directorate General of Oil and Gas only issued a feasible operation approval.</li> </ul>
<p><b>6. MESDM Regulation No. 35/2008</b> - Procedures for the Determination and Offering the Oil and Gas Working Area</p>	<p>Combined 5. MESDM Regulation Draft - Offering the Oil and Gas Working Area</p>	<ul style="list-style-type: none"> <li>- Auction arrangements of WK Available other than Regular Auctions and Auction of Direct Offers (Joint Study)</li> <li>- provides legal certainty regarding the period of announcement &amp; signing of KKS</li> <li>- privilege arrangement for Pertamina to get PI bid maximum of 15% from winning bidder</li> </ul>
<p><b>7. MESDM Regulation No. 36/2008</b> - Procedures for the Determination and Offering the Coal Methane Gas Working Area</p>		

<p><b>8. MESDM Regulation</b> <b>No. 05/ 2012</b> - Procedures for the Determination and Supply of Non-Conventional Oil and Gas Working Areas</p>		
<p><b>9. MESDM Regulation</b> <b>No. 01/2011</b> - Technical Guidelines for Offshore Offshore Installation of Oil and Gas</p>	<p>Combined 6. Draft MESDM Regulations on Post Operations Activities in Upstream Oil and Gas Business Activities</p>	<p>Contractor's obligation to perform activities after the operation</p>
<p><b>10. MESDM Regulation</b> <b>No. 27/2008</b> - Oil and Gas Supporting Business Activities</p>	<p>Revised 7. MESDM Regulation Draft - Oil and Gas Supporting Business Activities</p>	<p>simplification of procedures in petroleum and natural oil business activities (remove SKT, simply by SKUP)</p>
<p>ELECTRICITY = 1</p>		
<p><b>11. . MESDM Regulation</b> <b>No. 0045/2005</b> - Installation of Electricity</p>	<p>DIGABUNG 8. MESDM Regulation Draft - Electricity Safety</p>	<p>enriching substance according to mandate of PP. 14/2012, not only electrical installations but also substances concerning the safety of electricity</p>
<p><b>12. MESDM Regulation</b> <b>No. 046/2006</b> Amendment MESDM regulation No. 0045/2005 on electricity installation</p>		
<p>MINERAL AND COAL = 1</p>		
<p><b>13. MESDM Regulation</b> <b>12/2011</b> - Procedure for Determination of WUP and Information System of Mineral and Coal Mining Areas</p>	<p>DIGABUNG 9. . Draft of MESDM Regulation - Procedures for Provision of Regions, Licensing and Reporting on Mineral and Coal Mining Businesses</p>	<p>Simplification of the procedures for zoning, licensing, and reporting. This Ministerial Regulation will remove any existing licenses, a.1. :</p> <ul style="list-style-type: none"> <li>a. Registered Certificate / Registration</li> <li>b. Permit Principle of Processing and / or Refining</li> <li>c. . Recommendations of TKA IUP, IUPK and IUJP</li> <li>d. TKA recommendation for IUP</li> </ul>
<p><b>14. MESDM Regulation</b> <b>25/2016</b> - Amendment to MESDM Regulation 12/2011 on Procedures for Stipulation of WUP and Information System of Mineral and Coal Mining Areas</p>		

<p><b>15. MESDM Regulation 28/2013</b> - - Procedures for Auction of WIUP and WIUPK on Mining Mineral Metal and Coal</p>		<p>Production Operation specifically for transportation and sales</p>
<p><b>16. MESDM Regulation 34/2017</b> - Licensing in the Field of Mineral and Coal Mining</p>		<p>e. RKAB for IUJP</p>
<p><b>17. MESDM Regulation 15/2017</b> - Procedures for IUPK Production Operation as a Continuation of KK or PKP2B Operation</p>		<p>f. RKAB for Production Operation IUP specifically for transportation and sales</p>
<p><b>18. Decree of MESDM 1453/2000</b> - Technical Guidelines for Implementation of Government Duties in s Duties in in the Field of General Mining</p>		<p>g. Approval of Feasibility Study for Production Operation IUP specifically for processing and / or refining</p> <p>h. Certification tools;</p> <p>i. Recommendation of Coal ET (in Ministry of Trade)</p> <p>j. Recommendation of Registered Exporters (ET) of tin (in confirmation of the Ministry of Trade</p> <p>k. Recommendation Letter of Approval of Export of Tin (in Ministry of Trade Confirmation)</p> <p>l. Certification of technical personnel</p> <p>m. Clear and Clean Certificates</p> <p>n. Approval of exploratory report</p> <p>o. Approval of Plan for Changes in Investment and Financing Source includes the Amended and Issued Capital Changes.</p> <p>p. Simplification Stages of activities for Contract of Work and PKP2B etc..</p>
<p>EBTKE = 2</p>		
<p><b>19. MESDM Regulation No. 18/2014</b> – Affixing Energy Saving Labels for Swabalast lamp</p>	<p>Combined</p>	<p>simplification of licensing of importation of energy utilization equipment in the framework of Iartas (goods prohibited and / or limited to import or export.)</p>
<p><b>20. . MESDM Regulation No. 57/2017</b> - Implementation of Minimum Energy Performance Standards and Inclusion of Energy Efficient Labels for Air Conditioning Equipment</p>	<p>10. Draft of MESDM Regulation- Implementation of SKEM and Inclusion of Energy Efficient I labels for Beneficiary Equipment Energy</p>	
<p><b>21. MESDM Regulation No. 44/2016</b> - and Procedures for Placement and Liquefaction of Geothermal</p>	<p>Combined</p> <p>11. Draft of MESDM Regulation -</p>	<p>in order to simplify the regulation, several MESDM Regulations which are mandate of PP. 7/2017 on Geothermal for Indirect</p>

Exploration	Geothermal Activity for Indirect Utilization	Use is incorporated in 1 (one) MESDM Regulation
<b>22. MESDM Regulation No. 21/2017</b> - Waste Management of Drill Mud and Drill Mills on Geothermal Drilling		
<b>23. MESDM Regulation No. 36/2017</b> - Procedures for Assignment of Preliminary Survey and Assignment of Geothermal Survey and Introduction Survey		
<b>24. MESDM Regulation No. 37/2017</b> - Geothermal Working Area for Indirect Use		

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