

## NEW RKAB PROCESS – MAJOR POLICY “U-TURN” <sup>12345</sup>

### INTRODUCTION

In September, the Minister of Energy & Mineral Resources issued a new regulation that makes significant changes to the timing, as well as the procedures, for obtaining approval of mining companies’ work plans and budgets (the so-called **RKAB**), something which is a key administrative step in enabling mining companies to move forward with their proposed business activities.

The RKAB application and approval process has, once again, reverted to being a yearly administrative exercise despite, only comparatively recently, having been changed to a three yearly administrative exercise.

The new RKAB process represents a major policy “U-turn” on the part of the Government. This “U-turn” is consistent with the move to much greater Government control of the local mining industry and insistence upon much stricter regulatory compliance by mining companies, which changes have increasingly become the identifying “signature” elements of Government initiatives impacting the local mining industry.

In this article, the writer will review the key aspects of the new RKAB process as well as the Government’s presumed objectives and the implications of the same for mining companies.

### BACKGROUND

The RKAB process has been an integral part of the administration of the local mining industry for many years.

RKAB approval covers, among other things, (i) the amount of a particular mineral that the relevant mining company is authorized to produce during the next RKAB period, (ii) the work plan for realizing the specified production amount and (iii) the expenditure budget that is required to realize the specified production amount on the basis of the specified work plan. As such, the RKAB is an essential planning instrument for mining companies while, at the same time, providing a key reference document for the Directorate General of Minerals & Coal (**DGoMC**) at the Ministry of Energy & Mineral Resources (**ESDM**) in evaluating, monitoring and supervising the performance

---

<sup>1</sup> Bill Sullivan, Senior Foreign Counsel with Christian Teo & Partners and Senior Adviser to Stephenson Harwood.

<sup>2</sup> Bill Sullivan is the author of “*Mining Law & Regulatory Practice in Indonesia – A Primary Reference Source*” (Wiley, New York & Singapore 2013), the first internationally published, comprehensive book on Indonesia’s 2009 Mining Law and its implementing regulations.

<sup>3</sup> Copyright in this article belongs to Bill Sullivan and Petromindo.

<sup>4</sup> This article may not be reproduced for commercial purposes without the prior written consent of both Bill Sullivan and Petromindo.

<sup>5</sup> An earlier version of this article appeared in the November - December 2025 issue of Coal Metal Asia Magazine.

of mining companies which are obliged to report, on a quarterly basis, to DGoMC their actual production against the current RKAB approved production for the relevant reporting period.

In 2023, the local mining industry moved to a three yearly RKAB process, from the long established yearly RKAB process, with the issuance of Minister of Energy & Mineral Resources (**MoEMR**) Regulation No. 10 of 2023 re Procedures for Drafting, Submission and Approval of Work Plans and Funding Budgets as well as Procedures for Reporting Implementation of Mineral and Coal-Mining Business Activities (**MoEMR Regulation 10/2023**) as subsequently amended by MoEMR Regulation No. 15 of 2024 re Amendment of MoEMR Regulation 10/2023 (together, **Previous RKAB Regulations**).

The “experiment” with a three yearly RKAB process has proved to be very short-lived indeed. In September 2025, MoEMR issued Regulation No. 17 of 2025 re Procedures for Preparation, Submission and Approval of RKABs as well as Procedures for Reporting Implementation of Mineral and Coal Mining Business Activities (**MoEMR Regulation 17/2025**).

MoEMR Regulation 17/2025 became effective on 3 October 2025 and revoked the Previous RKAB Regulations. All relevant mining business license holders are now required to submit their RKAB applications on a yearly basis to DGoMC and in accordance with MoEMR Regulation 17/2025 (**New RKAB Process**).

On 22 October 2025, DGoMC held a virtual, public consultation session for the purpose of explaining and “socializing” the New RKAB Process (**DGoMC RKAB Socialization**).

MoEMR Regulation 17/2025 and the New RKAB Process, as explained during the DGoMC RKAB Socialization, are the focus of the balance of this article.

## **COMMENTARY**

### **1. New RKAB Process Major Changes**

MoEMR Regulation 17/2025 makes several key changes to the RKAB application and approval process, as set out in the Previous RKAB Regulations, including by way of providing for:

- (a) a 1-year validity period for RKABs submitted by Production Operation Mining Business License (**IUP**)/Special Mining Business License (**IUPK**) holders and approved by MoEMR;
- (b) an enhanced electronic and wholly on-line RKAB application and approval process;
- (c) a clearer timeline for DGoMC/ESDM to review, provide its feedback on and finally approve or reject submitted RKAB applications;
- (d) a clearer statement of the specific requirements that IUP/IUPK holders need to comply with in applying for and obtaining approval of their RKABs; and
- (e) “automatic approval” of RKAB applications/RKAB amendment applications in situations where DGoMC/ESDM fails to issue its rejection/approval of RKAB/RKAB Amendment applications within 8 business days after receiving the

relevant application and the required supporting documents from an IUP/IUPK holder.

## 2. New RKAB Process in Detail

2.1 **Online Submission via MinerbaOne System:** All RKAB applications must now be submitted via DGoMC/ESDM's online system and using the following online address: [minerbaone.esdm.go.id](http://minerbaone.esdm.go.id) (**Minerba One**). The Minerba One system is intended to replace the former MODI system.

During the DGoMC RKAB Socialization, however, DGoMC/ESDM acknowledged that, currently, Minerba One (i) may only be used for RKAB application submissions in respect of those commodities that fall under the authority of the Central Government (eg, coal and metal minerals) and (ii) is not yet able to process RKAB application submissions in respect of other commodities such as rocks and non-metal minerals (which RKAB application submissions still need to be processed manually).

2.2 **RKAB Application Submission Timeline & Procedures:** RKAB applications must be submitted to DGoMC/ESDM as follows:

- (a) not later than 30 calendar days from the issuance date of newly issued/extended Exploration and/or Production Operation IUPs/IUPKs;
- (b) not earlier than 1 October and not later than 15 November of each year for existing Exploration and/or Production Operation and/or Exploration IUPs/IUPKs; and
- (c) if the relevant IUP/IUPK is issued/extended after 15 November, then the RKAB application must be submitted before the end of the issuance/extension year for the following year's RKAB (Article 4 of MoEMR Regulation 17/2025).

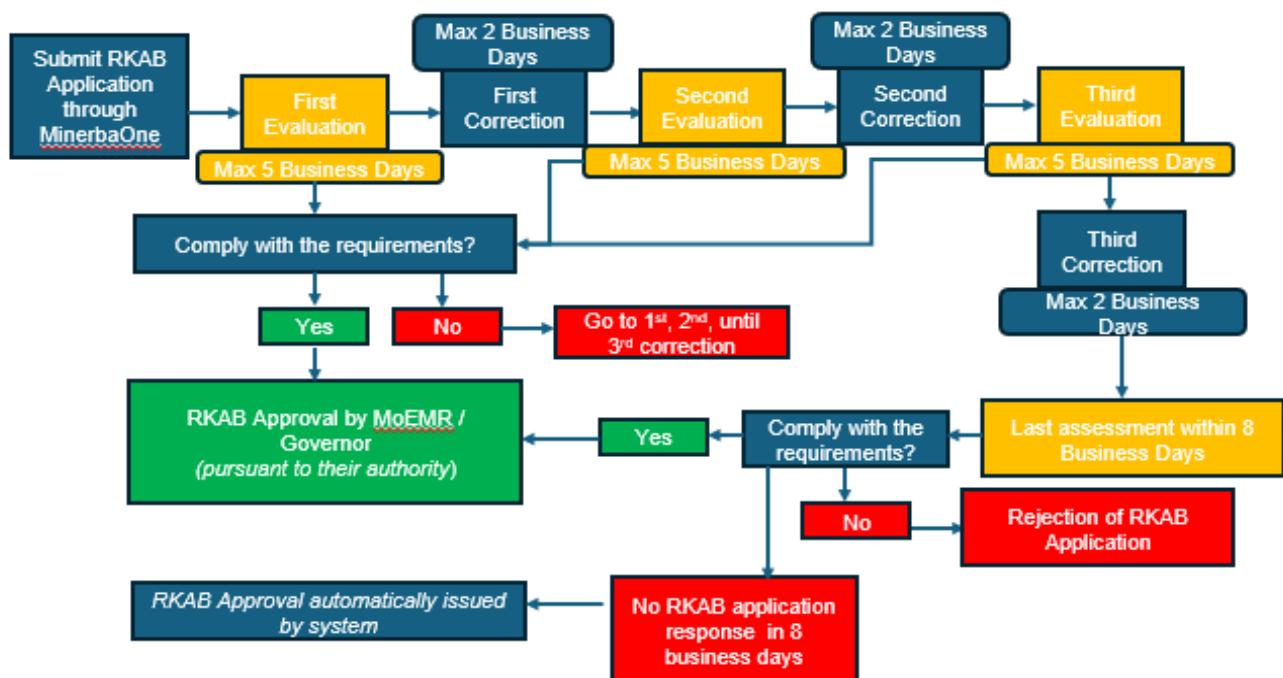
The following is a high-level summary of the main steps in processing an RKAB application:

- (a) once the RKAB application is submitted, MoEMR/the relevant Governor will evaluate the RKAB application and its supporting documents within a maximum of 5 business days, following which MoEMR/the relevant Governor will: (i) issue his approval of the RKAB application (if all requirements have been satisfied) or (ii) give its feedback/response/comments on the submitted RKAB application to the relevant IUP/IUPK holder and via the Minerba One system, directing it to correct/revise the RKAB application submission as necessary (**Required RKAB Revision/Correction**);
- (b) any Required RKAB Revision/Correction must be made within 2 business days after the Requested RKAB Revision/Correction is issued by MoEMR/the relevant Governor;
- (c) the Requested RKAB Revision/Correction may only be submitted a maximum of 3 times;

- (d) in the event that a third Requested RKAB Revision/Correction has been submitted by the relevant IUP/IUPK holder, MoEMR/the relevant Governor must issue (within a maximum of 8 business days) his approval or rejection of the RKAB application; and
- (e) if all allowed Requested RKAB Revisions/Corrections have been submitted but MoEMR/the relevant Governor fails to issue his approval/rejection within 8 business days, then the Minerba One system will supposedly automatically issue the RKAB approval (Article 6 MoEMR Regulation 17/2025).

If the Requested RKAB/RKAB Revision/Correction submission is finally rejected by MoEMR/the relevant Governor, then the relevant IUP/IUPK holder may re-submit its rejected RKAB submission 1 time only (Article 7 MoEMR Regulation 17/2025).

A flowchart, showing the current RKAB application submission and approval timeline as well as the applicable procedures, is set out below.



2.3 **1 Year Lockdown Period:** During the DGoMC RKAB Socialization, DGoMC officials explained that, if the Requested RKAB/Revision Correction submission has been rejected 2 times, then the relevant IUP/IUPK holder is prohibited from carrying out mining activities during the following 1 year period except for care, maintenance and environmental supervision & management activities only (**Prohibited Activities**) (**1 Year Lockdown Period**) (Article 16(1) MoEMR Regulation 17/20).

The 1 Year Lockdown Period applies and the Prohibited Activities may not be carried out by an IUP/IUPK holder if the relevant IUP/IUPK holder:

- (a) fails to properly submit its RKAB application in respect of the exploration stage or the production operation stage of its mining business activities;

- (b) has not received approval of its RKAB application in respect of the Exploration stage or the Production Operation stage of its mining business activities;
- (c) has its RKAB application rejected by MoEMR/the relevant Governor; or
- (d) has obtained its RKAB for the Production Operation stage **but** has **not** (i) obtained approvals/licenses/permits for the use of relevant forest areas (if applicable), (ii) settled its land-related obligations and/or (iii) obtained approvals/licenses/permits for marine area utilization (if applicable) in accordance with the prevailing laws and regulations.

The Prohibited Activities may be further described as follows and with respect to each type of mining license:

- (a) for Exploration IUP/IUPK holders – the Prohibited Activities refer to general investigation and exploration activities; while
- (b) for Production Operation IUP/IUPK holders and holders of IUPKs as Continuations of Contracts of Work – the Prohibited Activities refer to construction, mining, processing and/or refining, development and/or utilization as well as transportation and sales (including advanced/follow-on exploration activities) except for care, maintenance and environmental supervision & management activities (Article 16(2) MoEMR Regulation 17/2025).

2.4 **Administrative Sanctions:** Failure to submit RKAB applications within the specified timelines and otherwise in compliance with the applicable procedures may result in the application of administrative sanctions in the form of:

- (a) a maximum of 3 written warnings/reprimands, each issued at 30-calendar day intervals (**Written Warnings**);
- (b) if the Written Warnings are not complied with, temporary suspension of part or all of the relevant IUP/IUPK holder's business activities for a specified period (**Suspension Period**) (**Temporary Suspension**); and
- (c) finally, if the relevant IUP/IUPK holder continues to fail to comply with the Written Warnings following the lapse of the Suspension Period, revocation of the relevant IUP/IUPK (**License Revocation**) (Articles 25 to 28 MoEMR Regulation 17/2025).

Notwithstanding the above and in certain cases where the relevant IUP/IUPK holder:

- (a) submits invalid or inaccurate supporting documents/information as part of the RKAB submission process;
- (b) carries out mining activities and/or sale of coal or minerals without an approved and current RKAB; and/or
- (c) otherwise misuses its RKAB,

MoEMR/the relevant Governor is authorized to impose the License Revocation sanction/penalty **immediately** and **without** having to first resort to Written Warnings and/or

Temporary Suspension (Article 29 MoEMR Regulation 17/2025).

2.5 **RKAB Application Submission Requirements:** For the purpose of obtaining an RKAB approval, the relevant IUP/IUPK holder must comply with the following requirements:

- (a) in the case of RKAB applications for Exploration IUPs, submit:
  - (i) documentary/written evidence of compliance with applicable administrative requirements;
  - (ii) proof of payment of Non-Tax State Revenues (**PNBP**) to the State Treasury;
  - (iii) digital maps showing the realization of and proposed plan for exploration stage activities;
  - (iv) proof of placement/deposit of reclamation guarantees for exploration stage activities; and
  - (v) evidence of employing/having a mining engineering head.
- (b) in respect of RKAB applications for Production Operation IUP/IUPKs, submit:
  - (i) documentary/written evidence of compliance with administrative requirements;
  - (ii) resource and reserve estimation reports issued by:
    - a. a “competent person” in the case of metal minerals, non-metal minerals and coal; or
    - b. the internal person-in-charge in the case of rock minerals;
  - (iii) proof of PNBP payments to the State Treasury;
  - (iv) digital maps showing the implementation of mining business activities, including maps showing:
    - a. realization of and plans for advanced exploration activities;
    - b. realization of and plans for coal/mineral production activities;
    - c. realization of and plans for land clearing; and
    - d. forest area locations within the relevant Mining Business License Area (**WIUP**) or Special Mining Business License Area (**WIUPK**) if the relevant mining area is located in a forest area;
  - (v) evidence of employing/having a mining engineering head;

- (vi) proof of placement/deposit of reclamation guarantee for production operation stage activities and in respect of the year prior to the year of the relevant RKAB application;
- (vii) documentary/written evidence showing that the production level and the mining location (according to the production plan document) do not exceed the highest capacity stated in the approval/ratification of the relevant feasibility study document (FS) and the relevant environmental license/permit (EL/P); and
- (viii) documentary/written evidence showing that the mining location plan is in accordance with the approval/ratification of the relevant FS and the relevant EL/P (Article 5 MoEMR Regulation 17/2025).

2.6 **RKAB Amendment Applications:** As a general rule, an IUP/IUPK holder may submit a 1-time only amendment application in respect of its approved RKAB (**RKAB Amendment Application**) in any year (i) after it has submitted its second quarterly report for that year and (ii) not later than 31 July of that year (Article 11 MoEMR Regulation 17/2025).

Notwithstanding the generally applicable 1-time only RKAB Amendment Application rule, there are various exceptions to this general rule.

First, an IUP/IUPK holder may submit an additional RKAB Amendment application if any of the following occurs:

- (a) changes in government policies regarding the national mineral and coal production target amount;
- (b) the national mineral and coal production target amount is not met;
- (c) the national mineral and coal supply requirement for domestic industry users and/or energy needs is not met;
- (d) the occurrence of “obstructing circumstances”;
- (e) available environmental support capacity is unable to bear the burden of the proposed production operation stage activities; and/or
- (f) recognized force majeure events (Article 12(1) MoEMR Regulation 17/2025).

Second, an IUP/IUPK holder may submit an RKAB Amendment application at any time if its current approved RKAB has a “0” production plan and contingent upon the relevant IUP/IUPK holder obtaining: (i) approval of any required amendment to its FS and/or (ii) required implementing licenses/permits, from the relevant ministry or regional government, to carry out its allowed mineral or coal mining activities. During the DGoMC RKAB Socialization, DGoMC officials explained that the reason for the inclusion of this exception is to allow “0 production plan RKAB” IUP/IUPK holders to immediately carry out operations and without having to wait for/comply with the general application timeline set out in Part 2.2 above (Article 12(2) MoEMR Regulation 17/2025).

2.7 **FS as Supporting Document for RKAB Applications:** An IUP/IUPK holder's FS must be updated and approved by MoEMR/the relevant Governor (as the case may be), if there is or are:

- (a) changes in and/or additions to the reserves area;
- (b) changes in the characteristics of relevant minerals found on the relevant mining concession;
- (c) changes to relevant environmental conditions (*perubahan rona akhir*) resulting from mining business activities;
- (d) depletion of reserves, as set out in the relevant and previously approved FS, resulting from production activities;
- (e) changes to the system and/or methods of mining;
- (f) changes to the methods used for processing and/or refining of metal minerals;
- (g) an increase in the maximum production capacity as set out in the previously approved FS; and/or
- (h) changes to the commercial/economic scheme for coal (together, **Conditions of FS Amendment** (Article 34 of MoEMR Regulation 17/2025)).

MoEMR Regulation 17/2025 does not set out a specific timeline for updating the FS. However, as the FS is a required supporting/underlying document for the purpose of RKAB application assessment and approval in respect of production operation stage activities, any required FS update, as a result of the applicability of Conditions of FS Amendment, must be approved prior to the deadline for submission of the RKAB application which is **15 November** each year for non-newly issued/extended Production Operation IUPs (Article 4 and 5 of MoEMR Regulation 17/2025).

Any submitted RKAB application which does not align with the previously approved relevant FS is likely to be rejected where, for example: (i) the proposed production quantity exceeds the maximum production capacity set out in the previously approved FS or (ii) the proposed mining location plan does not align with the previously approved FS (Article 5 of MoEMR Regulation 17/2025).

2.8 **Environmental Impact Analysis (AMDAL) as Supporting Document for RKAB Applications:** MoEMR Regulation 17/2025 does not expressly require that AMDALs must be obtained prior to and submitted along with RKAB applications. However, it does require holders of Production Operation IUPs/IUPKs to submit production plans and mining location plans pursuant to the relevant Production Operation IUP/IUPK holder's EL/P.

AMDAL, Environmental Management and Supervision Document (**UKL-UPL**) or Written Statement to Manage Environment (**SPPL**) are the relevant types of underlying documents required to obtain EL/P (Article 78 of Government Regulation No. 28 of 2025 re Risk Based Business Licensing (**GR 28/2025**)).

The DGoMC RKAB Socialization included a video demonstration of how to submit RKAB applications, which demonstration included a section where applicants were expected to upload their AMDALs as part of explaining/justifying their planned/proposed production stage activities, which production stage activities were not meant to exceed the production capacity/quantity stated in their AMDALs. This most probably indicates that, in appropriate situations, AMDALs are required to be submitted/uploaded to support RKAB applications.

In the event that a particular mining activity does not require an AMDAL, the relevant supporting document to be submitted/uploaded, as a “substitute” in the AMDAL section of the RKAB application, must technically be confirmed with relevant DGoMC/ESDM officials at the time of RKAB application submission.

MoEMR Regulation 17/2025 does **not** provide a specific timeline or conditions for the amendment of AMDAL. However, having regard to the general timeline for RKAB application submissions, as set out in Part 2.2 above, any AMDAL amendment (which is to be used as a supporting document in submitting an RKAB application) must be approved prior to submitting the relevant RKAB application.

Further to the above, MoEMR Regulation 17/2025 also does **not** provide for any express exemption to the obligation to submit RKAB applications in the event of AMDAL non-availability. In other words, it is most probably the case that an RKAB application must still be submitted even if the relevant IUP/IUPK holder has not yet obtained the required AMDAL and so as to avoid the imposition of applicable administrative sanctions. However, the non-availability of required AMDAL may well result in the relevant RKAB application being rejected.

### 3 **Assessment of Policy “U Turn”**

At the time of the issuance of the Previous RKAB Regulations, the claimed justification or rationale for moving to a three yearly RKAB process was that this would (i) be administratively more efficient for DGoMC/ESDM which was overwhelmed by the number of RKAB applications it had to process each year, (ii) mean less burden for mining company management owing to the time consuming nature of the RKAB application process and (iii) provide greater certainty for mining companies and their investors as to future production and cash flow, thereby facilitating medium-term planning and capital raising by mining companies.

Assuming the various justifications advanced for moving to a three yearly RKAB process in 2023 had real substance to them, the obvious question that now arises is what happened between 2023 and 2025 to cause the major policy “U-turn” associated with moving back to a yearly RKAB process? There appear to be at least three likely reasons for the return to the yearly RKAB process.

First, ESDM became concerned about production of certain minerals not being sufficiently aligned with short term changes in both domestic and international demand for those minerals, thereby putting downward pressure on the market prices these minerals were able to command as supply outstripped demand. Bauxite, coal and nickel ore seem to have been the minerals of particular concern to ESDM. The Deputy Chairman of Commission VII of the Indonesian parliament was quoted, by various media outlets in early July 2025, as having highlighted the problem of over-supply of bauxite, with 45 million tons of bauxite

being produced annually but with there only being domestic demand for 20 million tons of bauxite and no ability of producers to export the excess bauxite production due to the ban on the export of less than fully refined metal minerals. ESDM's embarrassing "backdown", in August 2025, over the February 2025 imposed requirement that coal producers not sell their production at less than the ESDM determined HPB price and when foreign buyers simply refused to take previously contracted for deliveries of Indonesian coal at the HPB price, also made clear the problem of over-production of coal and its consequent negative impact on Indonesia's price setting ability. Likewise, over-production of nickel ore and the resulting downward pressure on the market price of refined nickel products indicated the existence of a similar problem in the domestic nickel ore mining industry. With RKAB approved production levels being set for three years, rather than just one year, the ability of ESDM to ensure some measure of short-term balance between supply and demand was clearly limited.

Second, ESDM apparently expects ("hopes" might be more accurate!!) that, by moving to an entirely on-line RKAB application review and approval process and introducing other process reforms, the previous administrative burden (for both DGoMC/ESDM and mining company management) associated with a yearly RKAB process will be significantly reduced. The provision for a 8-day RKAB application approval timeline and supposed "automatic approval" of RKAB applications after the expiry of 8 days is likely to be "key" to the success or otherwise of the intended reforms to the RKAB application review and approval process – it remains unclear, however, what happens as a practical matter if, for whatever reason, the Minerba One system does not automatically issue approvals of RKAB applications after 8 days. Mining companies will certainly be watching closely in this regard. The Executive Director of the Centre for Energy and Mining Law Studies was quoted, in the 8 July edition of on-line news portal Valid News, as having said:

*"The most important thing is that the [RKAB] approval process must be simpler, faster and there must be a guarantee of certainty so as to not repeat the complications every year like before."*

Third, the reversion to a yearly RKAB process is entirely consistent with the Government's evident intention to exercise much greater control over the local mining industry going forward than has been the case in the past. This greater control is directed at ensuring that (i) mining companies are made more effective "instruments" for the implementation of Government policy and (ii) the local mining industry as a whole delivers the level of revenue and other national economic benefits the Government is relying upon in order to make possible the realization of the President's bold vision of "Golden Indonesia 2045". As Sims Read points out in his 12 October 2025 article "*Indonesia's Bauxite Gambit: How a Mining Policy U-turn Aims to Control a Booming Sector*", the reversion to a yearly RKAB process facilitates enhanced control & agility, maximum revenue oversight and "bureaucratic reinforcement" – academic "policy speak" for "*reasserting central [Government] oversight after the more hands-off three year approach*". Put simply, the Government has clearly decided that facilitating medium-term planning and capital raising by mining companies is much less important (at least as far as the Government is concerned!!) than is more effective Government control of the local mining industry and the much needed increase in tax revenue from the local mining industry that the Government assumes (rightly or wrongly) will be a major benefit resulting from this more effective Government control.

## **SUMMARY & CONCLUSIONS**

After a brief “experiment” with looser control of the local mining industry, in the form of the three yearly RKAB process, the Government has reverted to the previous yearly RKAB process.

It remains to be seen whether or not the administrative reforms introduced as part of the New RKAB Process make a material difference, in practice, to the burden that the previous yearly RKAB process imposed on both DGoMC/ESDM and mining companies.

The 2023 move to a three yearly RKAB application process was introduced during the presidency of Joko Widodo while the 2025 reversion to a yearly RKAB process has occurred early in the presidency of Prabowo Subianto. Although a variety of reasons can be advanced for this major policy “U-turn”, it is hard not to see President Prabowo’s clearly articulated objection, to “economic democracy” having any legitimate role to play in the development and management of Indonesia’s natural resources, as being an important and, possibly, deciding factor in this policy “U-turn”. More stringent Government control of the local mining industry, together with insistence upon stricter regulatory compliance by mining companies, are “signature” elements of the Government’s natural resources policy under President Prabowo. The reversion to a yearly RKAB process is very much consistent with these “signature” elements.

The resulting inevitable increase in policy uncertainty, reduced investor confidence and enhanced compliance burdens for mining companies, associated with the New RKAB Process, are apparently just acceptable and inconsequential “collateral damage” as far as the Government is concerned. It will, of course, be interesting to see just how “inconsequential” or otherwise this “collateral damage”, resulting from the New RKAB Process, actually proves to be in the medium to long term.

\*\*\*\*\*

*This article was written by Bill Sullivan, Senior Foreign Counsel with Christian Teo & Partners and Senior Adviser to Stephenson Harwood. Christian Teo & Partners is a Jakarta based, Indonesian law firm and a leader in Indonesian energy, infrastructure and mining law and regulatory practice. Christian Teo & Partners operates in close association with international law firm Stephenson Harwood which has eight offices across Asia, Europe, and the Middle East: Athens, Dubai, Hong Kong, London, Paris, Seoul, Shanghai and Singapore.*

## Get in touch



Bill Sullivan

T: +62 21 5020 2789

E: [bsullivan@cteolaw.com](mailto:bsullivan@cteolaw.com)



Christian Teo

T: +62 21 5020 2789

E: [cteo@cteolaw.com](mailto:cteo@cteolaw.com)



Claudius Novabianto

T: +62 21 5020 2789

E: [cnbianto@cteolaw.com](mailto:cnbianto@cteolaw.com)