

## District Governments Banned from Further Issuing of Mining Permits

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Diena Lestari/Bisnis Indonesia (25 Feb 2009)

Indonesia's district governments are banned from issuing mining permits, including mining concessions (KP), until the issue of government regulation following the Mining Law no. 4/2009.

The Director General of Mineral, Coal and Geothermal, Bambang Setiawan, said his office has issued a notice to all district governments concerning the ban.

"The ban is effective until the issue of government regulation concerning the mining law no 4/2009, since the mining activities would latter on use the Mining Business Permit (Izin Usaha Pertambangan/IUP).

The notice has been circulated to governors, regents or mayors," Bambang said.

However, special attention should be given to existing mining concessions, which could be continued until end of term. Similarly, mining concession with exploration permit could carry on to the exploitation phase.

Bambang said his office is working to complete the framework for regulation development to accommodate the 22 articles of the mining law. There are 4 frameworks prepared: the first is on Mining Area, the second on Mineral and Coal Business Activities, the third on Development and Monitoring of Mining and the fourth on Reclamation and post mining.

New mining application would have to follow the new regulation by applying for IUP. There are 5 mining companies, which have applied for mining concessions prior to the mining law issue, namely Southern Arc Mineral Inc., Barrick Gold Corp, Rio Tinto, BHP Billiton-PT Aneka Tambang, and East Asia Mineral Corp.

BHP Billiton has revoked its participation in the Gag Island project.