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Indonesia Introduces Annual RKAB and Default Approval Mechanism to Streamline Mining Compliance

Prepared by:

Maurice Maulana Situmorang (Partner), Carlos William Rettobjaan (Associate) and Azizah Nadhira (Associate)

Executive Summary

Indonesia's Ministry of Energy and Mineral Resources ("**MEMR**") has issued Regulation No. 17 of 2025 on Annual Work and Budget Plans (*Rencana Kerja dan Anggaran Biaya* or "**RKAB**") and Reporting of Mining Operations ("**MEMR Reg. 17/2025**"). The regulation replaces the previous three-year RKAB submission cycle with an annual filing requirement and introduces a default approval (*fiktif positif*) mechanism aimed at accelerating administrative processes. These changes are designed to enhance legal certainty and regulatory and operational efficiency across the mining sector.

Key Highlights

1. Annual RKAB Submission Requirement

Under MEMR Reg. 17/2025, all mining companies must now submit their RKAB annually, replacing the three-year cycle previously required under MEMR Reg. 10/2023.

- **Submission period**: RKABs for the following year must be submitted between 1 October and 15 November.
- **Amendments**: A mining company may amend its RKAB once per year, within the second-quarter reporting period or by 31 July, whichever is earlier.
- **Exceptional amendments**: Additional amendments are permitted only in exceptional circumstances, such as changes in government policy, national production shortfalls, environmental constraints, or force majeure events.

Certain attachments to approved RKABs, including those related to transport facilities, stockpiling and use of explosives, fuel storage, and import facilities, may be amended at any time.

2. Administrative Sanctions

Non-compliance may result in administrative sanctions, including:

- written warnings;
- temporary suspension of business activities; and/or
- revocation of licenses.

Mining companies that exceed their approved production quotas will also face reduced production allocations in the following year, proportionate to the excess output.

[1] *Peraturan Menteri Energi dan Sumber Daya Mineral Nomor 17 Tahun 2025 tentang Tata Cara Penyusunan, Penyampaian, dan Persetujuan Rencana Kerja dan Anggaran Biaya Serta Tata Cara Pelaporan Pelaksanaan Kegiatan Usaha Pertambangan Mineral dan Batubara.*

[2] *Peraturan Menteri Energi dan Sumber Daya Mineral Nomor 10 Tahun 2023 tentang Tata Cara Penyusunan, Penyampaian, dan Persetujuan Rencana Kerja dan Anggaran Biaya Serta Tata Cara Pelaporan Pelaksanaan Kegiatan Usaha Pertambangan Mineral dan Batubara.*

3. Introduction of Default Approval

A key innovation under MEMR Reg. 17/2025 is the adoption of a default approval (*fiktif positif*) system for both RKAB submissions and amendments.

- Once the complete set of required documents is submitted, the authority must evaluate the application within five (5) days and either issue an approval or request revisions.
- Applicants have two (2) days to submit corrections, with up to three (3) opportunities for revision.
- After the final resubmission, the authority must finalize its evaluation within eight (8) days.
- If no decision is issued within this period, the RKAB is deemed automatically approved and released through the electronic system.

This mechanism aims to improve transparency, predictability, and administrative efficiency, helping to minimize approval delays that have historically affected project planning and execution.

Outlook

The introduction of annual RKAB submissions and the default approval regime represents a significant step toward modernizing Indonesia's mining compliance framework. By embedding automatic approval timelines and tighter amendment windows, the Government seeks to reinforce investor confidence while maintaining regulatory oversight.

In the coming months, attention will turn to the practical implementation of these measures, including the planned integration between the E-RKAB platform and the Online Single Submission (OSS) system, which is expected to further streamline regulatory processes.

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