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REGULATORY NOTE | MINING AND NATURAL RESOURCES | 2 AUGUST 2026

Mineral and Coal Licensing after Law No. 2 of 2025 and Government Regulation No. 39 of 2025

Current governance considerations for mining rights, priority pathways, and compliance

EXECUTIVE SUMMARY

The 2025 amendments to Indonesia's mining framework and implementing regulation affect licensing architecture, institutional powers, business planning, and compliance. Mining companies should test legacy rights and current activities against the amended framework.

1. Background, Scope, and Strategic Significance

Regulatory compliance should be translated into assigned controls, documented evidence, reporting calendars, and escalation triggers. A licence or filing is most useful when the underlying operation remains consistent with the facts represented to the authority.

Mineral and Coal Licensing after Law No. 2 of 2025 and Government Regulation No. 39 of 2025 should be approached as a connected legal, factual, and decision-making problem. In the mining and natural resources context, the quality of the final position depends on whether the governing instruments, authority records, chronology, correspondence, operational facts, and available remedies are reviewed together. A conclusion reached from one document or one legal provision may overlook qualifications, implementing rules, later conduct, or evidence that changes the practical assessment.

This publication therefore focuses on the sequence of analysis rather than offering a universal answer. The first task is to define the relevant person, company, asset, permit, transaction, or government action. The second is to identify the legal source and the institution or contractual actor with authority. The third is to test the position against contemporaneous records and the procedure that governs any filing, objection, response, negotiation, investigation, or claim.

For regulatory matters, formal approval and continuing compliance must be considered separately. A licence, registration, certificate, filing, or system status does not by itself prove that the activity continues to satisfy its conditions. Compliance should be translated into named control owners, source evidence, monitoring intervals, reporting calendars, change-management triggers, and escalation routes. This makes the regulatory position capable of being demonstrated during inspection, renewal, financing, transaction due diligence, or enforcement.

The analysis is current as at 2 August 2026. The application of any law, regulation, court decision, administrative practice, or contractual provision depends on the specific facts and may change after publication.

2. Legal and Regulatory Framework

The principal authorities identified for this topic are listed below. They should be read together with any implementing measures, sector-specific instruments, later amendments, binding court decisions, official guidance, contractual provisions, corporate instruments, and transitional rules applicable to the matter. The legal hierarchy and the date on which an instrument became effective may be decisive.

- Law No. 2 of 2025, Fourth Amendment to the Mineral and Coal Mining Law
- Government Regulation No. 39 of 2025

Before relying on an authority, confirm that it applies to the relevant person, entity, activity, asset, transaction, location, procedural stage, and period. Where an official system or institution maintains the operative record, the record should be verified rather than inferred from an earlier submission. The scope of any discretion, appeal, objection, cure, or review mechanism should also be mapped.

3. Detailed Analysis of the Core Issues

3.1 Licence type

This issue defines the legal scope of the assessment. Counsel should identify who holds the relevant right, duty, power, or exposure; the instrument from which it arises; and any limits on authority. The review should distinguish legal form from actual conduct and should record inconsistencies rather than silently choosing one version. Authority can depend on legislation, implementing rules, constitutional documents, delegations, contracts, licences, resolutions, or an institution's procedural mandate.

For Mineral and Coal Licensing after Law No. 2 of 2025 and Government Regulation No. 39 of 2025, this point should be converted into a compliance control: a responsible owner, required evidence, review frequency, system or filing dependency, approval threshold, and escalation trigger. Management should be able to demonstrate both the formal regulatory status and the operational facts supporting that status.

3.2 Priority-allocation pathways remain subject to statutory and constitutional requirements

The point must be tested against contemporaneous evidence. Useful material may include executed documents, official records, system data, correspondence, meeting minutes, reports, financial entries, technical records, witness knowledge, and proof of delivery or submission. The legal team should identify the source, custodian, date, completeness, and reliability of each record. Missing records and later-created summaries should be labelled so that decision-makers understand the evidentiary limits.

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3.3 Corporate actions and changes in control may engage regulatory approvals or notifications

Procedure and timing are central. The applicable framework may prescribe a form, authorised signatory, service method, supporting document, cure opportunity, objection route, hearing sequence, or deadline. A substantively reasonable position may still be weakened by using the wrong forum or failing to preserve a procedural step. A calendar should distinguish statutory deadlines, contractual deadlines, internal approval dates, and practical milestones for collecting evidence and preparing submissions.

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3.4 Work plans

The operational consequences should be assessed before a position is implemented. Legal exposure can affect cash flow, licences, financing, contractual performance, insurance, governance, personnel, public statements, and relationships with authorities or counterparties. Scenario analysis should compare immediate action, conditional action, negotiated adjustment, and preservation of the status quo. Each scenario should state its assumptions, dependencies, reversible steps, and indicators that would require escalation.

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3.5 Regulatory uncertainty should be managed through documented assumptions and decision gates

The position should anticipate how an authority, court, counterparty, shareholder, complainant, or other stakeholder may respond. That includes testing the strongest counterargument, not only confirming the preferred interpretation. Communications should be accurate, proportionate, and consistent across legal submissions, corporate records, regulatory filings, and operational instructions. Where uncertainty remains, the decision record should explain the chosen risk tolerance and the safeguards applied.

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4. Risk and Evidence Matrix

The matrix is an initial organising tool. It should be replaced or supplemented by a matter-specific chronology, document index, authority map, issue list, and risk register once the relevant records have been reviewed.

ISSUE	KEY EVIDENCE	RISK IF UNMANAGED	IMMEDIATE CONTROL
Licence type	Licences, registrations, corporate data, and delegated authority	Regulatory status not matching the actual activity	Confirm scope, authority, and controlling instruments.
Priority-allocation pathways remain subject to statutory and constitutional requirements	Source records, system extracts, technical reports, and submissions	Inability to demonstrate compliance during supervision	Issue preservation instructions and build an evidence index.
Corporate actions and changes in control may engage regulatory approvals or notifications	Approval dates, reporting calendars, receipts, and regulator notices	Late or defective filing, renewal, objection, or response	Create a procedural map with verified dates and owners.
Work plans	Operational data, inspection findings, incidents, and remediation logs	Operational disruption, sanction, transaction, or financing exposure	Quantify scenarios and assign continuity safeguards.
Regulatory uncertainty should be managed through documented assumptions and decision gates	Management review, corrective action, and change-control records	Recurring gaps because ownership and escalation are unclear	Test counterarguments and approve a communication protocol.

5. Recommended Action Plan

5.1 Prepare a licence and obligation register for each concession.

Begin by defining ownership of the task, the decision required, and the documents that must be available. Record any assumptions and gaps so that later reviewers can distinguish confirmed facts from matters still under investigation. The output should be a controlled work product with a clear approval path, not an informal collection of opinions.

5.2 Review corporate and beneficial-ownership data against licensing records.

The work should reconcile legal requirements with the organisation's actual process and systems. Where records conflict, identify the source of truth, the person responsible for correction, and whether a notification, amendment, reservation of rights, or other protective step is required before the inconsistency becomes material.

5.3 Map approvals required for financing, transfers, expansion, and contractors.

Timing should be planned backwards from the external deadline or business decision. Allow time for authority checks, document collection, technical or financial input, internal review, translation where relevant, authorised signature, submission, and proof of delivery. Contingency time is important where portals or third parties are involved.

5.4 Track implementing measures and Constitutional Court developments.

Implementation should be proportionate to the assessed exposure. Immediate measures should prevent further harm and preserve options; longer-term measures should address root cause, ownership, training, monitoring, and recurrence. Remediation should be accurate and should not overwrite the historical record needed for advice or proceedings.

5.5 Maintain a board-level risk record for material regulatory dependencies.

The final position should be communicated only through approved channels. Management should know which developments require board, insurer, lender, regulator, counterparty, employee, or public disclosure. After the decision, the team should monitor new evidence and legal developments and adjust the plan when its assumptions no longer hold.

6. Decision Framework

IMMEDIATE CONTROL	Preserve the relevant record, identify the decision-maker and authority, confirm procedural deadlines, and prevent avoidable escalation while the facts are verified.
LEGAL ASSESSMENT	Map the verified facts and documents against the applicable legal framework, contractual position, regulatory expectations, and realistic exposure scenarios.
STRATEGIC EXECUTION	Select a proportionate course of action, define approval and communication protocols, document implementation, and revisit the strategy as new evidence or legal developments emerge.

6.1 Questions for Decision-Makers

- What precise decision, right, obligation, or exposure is being assessed in relation to mineral and coal licensing after law no. 2 of 2025 and government regulation no. 39 of 2025?
- Which law, regulation, contract, licence, corporate instrument, or official decision controls the issue?
- Which facts are verified by contemporaneous evidence, and which remain assumptions or disputed allegations?
- What procedural step or deadline could determine whether a right, defence, approval, or remedy remains available?
- What operational, financial, governance, regulatory, and reputation consequences arise under each realistic scenario?
- Who is authorised to approve the strategy, communicate externally, implement controls, and monitor later developments?

7. DRP Perspective and Conclusion

For Mineral and Coal Licensing after Law No. 2 of 2025 and Government Regulation No. 39 of 2025, compliance should be demonstrable in both records and operations. The most useful control environment links each obligation to a responsible owner, reliable source evidence, a review date, an escalation threshold, and a documented response when facts change or an exception occurs.

Periodic review is important because legislation, system requirements, regulator practice, ownership, business activities, and operational conditions may change. This note should therefore be used as a starting framework for a current, fact-specific assessment rather than as a substitute for confirmation with the relevant authority or professional adviser.

8. Key Authorities and Official Sources

- Law No. 2 of 2025, Fourth Amendment to the Mineral and Coal Mining Law: https://peraturan.bpk.go.id/Details/316682/uu-no-2-tahun-2025
- Government Regulation No. 39 of 2025: https://peraturan.bpk.go.id/Details/331105/pp-no-39-tahun-