



## Mineral Royalty Rates

Product Type	(PP 26/2022)		(PP 19/2025)		
	HMA Ni (USD/DMT)	Old Tariff	HMA Ni (USD/DMT)	Initial Proposal	New Tariff
Gold	≤ 1,300	3,75%	< 1.800	7.00%-16.00%	7%
	1,300 – < 1,400	4,00%	1.800 – < 2.000		10%
	1,400 – < 1,500	4,25%	2.000 – < 2.200		11%
	1,500 – < 1,600	4,50%	2.200 – < 2.500		12%
	1,600 – < 1,700	4,75%	2.500 – < 2.700		14%
	1,700 – < 1,800	5,00%	2.700 – < 3.000		15%
	1,800 – < 1,900	6,00%	≥ 3.000		16%
	1,900 – < 2,000	8,00%			
	≥ 2,000	10,00%			

Product Type	(PP 26/2022)		(PP 19/2025)		
	HMA Ni (USD/DMT)	Old Tariff	HMA Ni (USD/DMT)	Initial Proposal	New Tariff
Copper Ore	All	5%	< 7,000	10%-17%	10%
			7.000 – < 8.500		13%
			8.500 – < 10.000		15%
			≥ 10,000		17%
Copper Concentrate	All	4%	< 7,000	7%-10%	7%
			7.000 – < 8.500		7,5%
			8.500 – < 10.000		8,0%
			≥ 10,000		10,0%
Copper Cathode	All	2%	< 7,000	4%-10%	4,0%
			7.000 – < 8.500		5,0%
			8.500 – < 10.000		6,0%
			≥ 10,000		7,0%

Product Type	(PP 26/2022)		(PP 19/2025)		
	HMA Ni (USD/DMT)	Old Tariff	HMA Ni (USD/DMT)	Initial Proposal	New Tariff
Nickel Ore	All	10%	< 18.000	14%-19%	14%
			18.000 – < 21.000		15%
			21.000 – < 24.000		16%
			24.000 – < 31.000		18%
			≥ 31.000		19%
Nickel In Matte	≤ 21.000	2%	< 18.000	4.50%-6.50%	3,5%
	> 21.000	3%	18.000 – < 21.000		4,0%
			21.000 – < 24.000		4,5%
			24.000 – < 31.000		5,0%
			≥ 31.000		5,5%
Ferronickel	All	2%	< 18.000	5%-7%	4,0%
			18.000 – < 21.000		4,5%
			21.000 – < 24.000		5,0%
			24.000 – < 31.000		5,5%
			≥ 31.000		6,0%
Pig Iron	All	5%	< 18.000	5%-7%	5,0%
			18.000 – < 21.000		5,5%
			21.000 – < 24.000		6,0%
			24.000 – < 31.000		6,5%
			≥ 31.000		7,0%

## Effective April 26: PP 18/2025 Brings Fresh Air for Coal Producers under IUPK Scheme

President of the Republic of Indonesia, Prabowo Subianto, has issued Government Regulation (PP) Number 19 of 2025 concerning the Types and Tariffs of Non-Tax State Revenue (PNBP) Applicable to the Ministry of Energy and Mineral Resources (ESDM). This regulation adjusts the tariff structure for mineral and coal (Minerba) products, including coal, nickel, gold, copper, and tin metal. It replaces PP Number 26 of 2022 on the Types and Tariffs of Non-Tax State Revenue Applicable to the Ministry of Energy and Mineral Resources (ESDM). This regulation was signed by President Prabowo on April 11, 2025, and will take effect 15 days after its enactment. This means the regulation will officially take effect on April 26, 2025.

### Commentary:

The implementation of the new final IUPK tariffs under PP 19/2025 for the mineral sector (nickel, gold, and copper) tends to exert additional pressure on mining company margins, especially for those still in the upstream stage. However, compared to the initial draft, the final tariffs in PP 19/2025 are slightly lower in several segments. This is a relatively positive signal for the related sectors. The market response has also been quite positive in reacting to the final decision of the IUPK tariff implementation under PP 19/2025.

**Nickel sector:** The implementation of the new tariffs remains the same as the initial proposal for nickel ore and Nickel Pig Iron segments (14%-19% & 5-7%), while the segments for Nickel in Matte and Ferronickel have been adjusted compared to the initial draft (3.5% – 5.5%).

**Gold sector:** The implementation of the new tariffs remains the same as the initial proposal, ranging from 7%-16%, while for copper, the final IUPK tariff results under PP 19/2025 also remain the same as the initial proposal, which are around 10%-17% for Copper Ore, 7%-10% for Copper Concentrate, and 4%-10% for Copper Cathode.



# Coal – Sector Flash

April 17, 2025

By : Sukarno Alatas, Senior Analyst

## IUPK Tax Rates

Coal	IUPK from PKP2B Gen 1	IUPK from PKP2B Gen 1+	Domestic
HBA < USD 70	14%	20%	14%
HBA > USD 70 – USD 80	17%	21%	14%
HBA > USD 80 – USD 90	23%	22%	14%
HBA > USD 90 – USD 100	25%	24%	14%
HBA > USD 100	28%	27%	14%
Pph Badan	22%		

## Final Rate

Coal	Initial Proposal (PKP2B Gen 1 & Gen 1+)	Initial Proposal (PKP2B Gen 1 & Gen 1+)	Domestic
HBA < USD 70	15%	15%	14%
HBA > USD 70 – USD 120	18%	18%	14%
HBA > USD 120 – USD 140	19%	19%	14%
HBA > USD 140 – USD 160	22%	22%	14%
HBA > USD 160 – USD 180	25%	25%	14%
HBA > USD 180	28%	28%	14%

Corporate Income Tax

**Income Tax (PPH) follows prevailing tax laws.**

## Royalty Tariff by Caloric Value

Coal – IUP, PKP2B, IUPK	unit	Old Rate	Initial Proposal	Open pit Final Rate	Underground Final Rate
<b>calorie &lt; 4,200 KkI/kg</b>					
HBA < USD 70	per ton	5% of price	Unchanged	Unchanged ↓	to 4%
HBA > USD 70 – USD 90	per ton	6% of price	Unchanged	Unchanged ↓	to 5%
HBA > USD 90	per ton	8% of price ↑	9% of price	to 9% ↓	to 7%
<b>calorie &lt; 4,200 – 5,200 KkI/kg</b>					
HBA < USD 70	per ton	7% of price	Unchanged	Unchanged ↓	to 6%
HBA USD 70 – USD 90	per ton	8.5% of price	Unchanged	Unchanged ↓	to 7.5%
HBA > USD 90	per ton	10.5% of price ↑	11.5% of price	to 11.5% ↓	to 9.5%
<b>calorie &gt; 5,200 KkI/kg</b>					
HBA < USD 70	per ton	9.5% of price	Unchanged	Unchanged ↓	to 8.5%
HBA USD 70 – USD 90	per ton	11.5% of price	Unchanged	Unchanged ↓	to 10.5%
HBA > USD 90	per ton	13.5% of price	Unchanged	Unchanged ↓	to 12.5%

## Royalty Rates Officially Enforced on April 26: PP 18/2025 Brings Fresh Air for IUPK Coal Producers

The government has officially issued a regulation concerning non-tax state revenue (PNBP), specifically for the coal sector, which includes new royalty rates for holders of Special Mining Business Licenses (IUPK). This regulation is stipulated in Government Regulation (PP) No. 18/2025 on the Taxation Treatment and/or Non-Tax State Revenue in the Coal Mining Business Sector. The regulation is an amendment to PP No. 15/2022. The regulation was signed and enacted by President Prabowo Subianto on April 11, 2025, and will become effective 15 days after its enactment, i.e., on April 26, 2025. Some of the royalty rates outlined in this new regulation differ from those previously socialized by the Ministry of Energy and Mineral Resources (ESDM) on March 8, 2025, and even from PP No. 15/2022.

### Commentary:

**The latest or official IUPK tax/royalty rates are in line with the initial proposals.** As previously explained, this change in IUPK rates is favorable and has the potential to improve the performance of coal producers operating under IUPK contracts such as AADI, BUMI, and INDY. This is because the current Coal Benchmark Price (HBA) as of April 2025 is still at USD 120 per ton (compared to USD 128 per ton in March 2025), meaning the previous rate of 27%–28% (for HBA > USD 100) drops to 19% (for HBA between USD 120–140). In addition, the official royalty structure is now split into two categories: Open-pit coal and Underground coal. Previously, these were combined under a single rate. The new open-pit rate remains consistent with the initial proposal, whereas the underground rate sees a 1% reduction from both the initial proposal and the previous rate. This new royalty rate structure should be viewed as a positive sentiment, as the underground coal rate is now lower than previously expected.



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