



**BKPM**

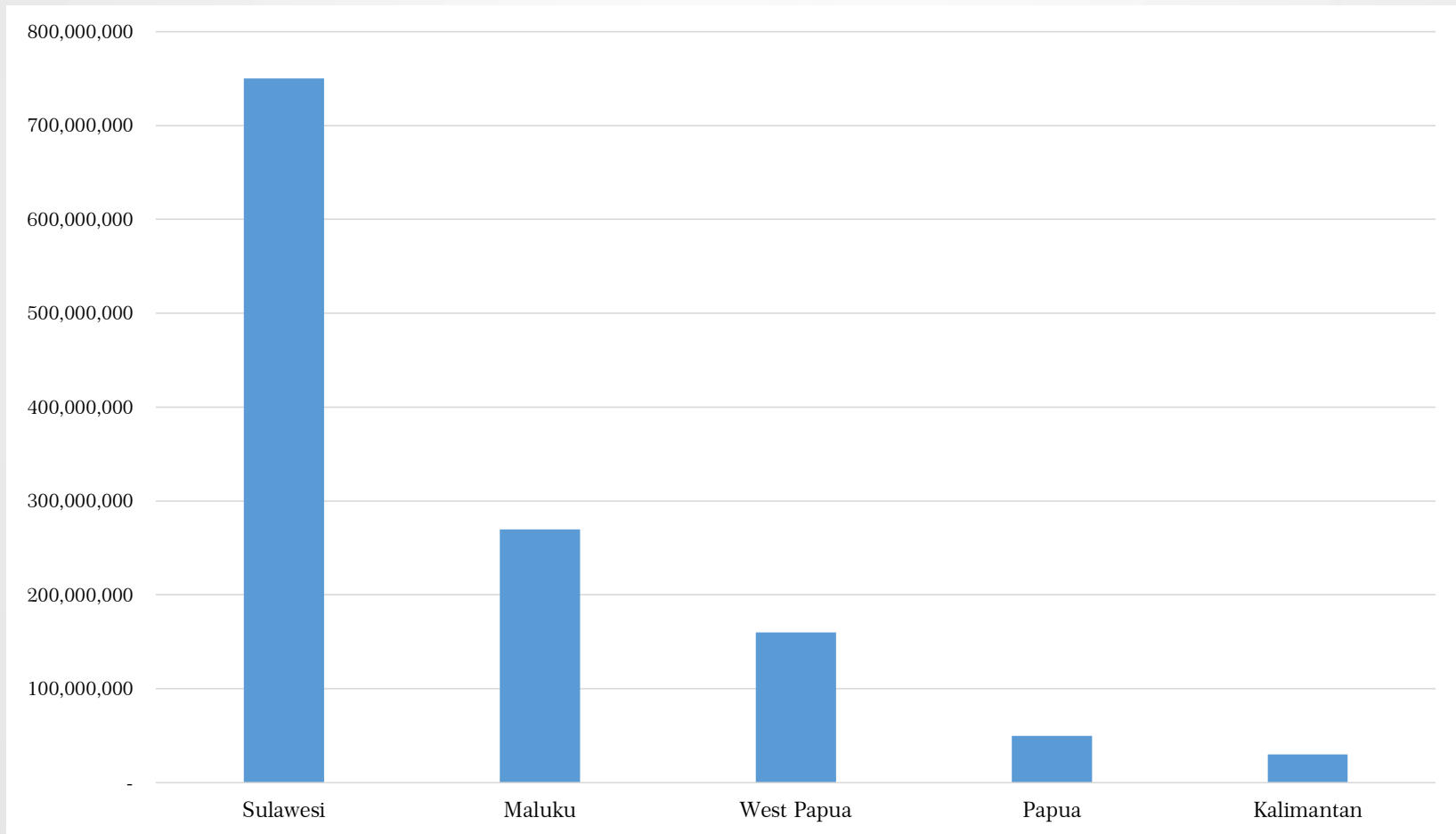
BADAN KOORDINASI PENANAMAN MODAL

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# NICKEL PROCESSING **INDUSTRY**

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## Distribution of Nickel Resources in Indonesia



## Minimum limitation Nickel Products Sold Abroad (Minister of Energy and Mineral Resources Regulation Number 8 Year 2015)

Commodities		Minimum Limit			
Ore	Mineral	Processing		Refining	
		Product	Quality	Product	Quality
<b>Nickel and/or Cobalt (Smelting Process)</b> a. Saprolit b. Limonit	Pentlandit Garnerit Serpentin Karolit			Nickel Matte, Metal Alloy and Nickel Metal	Ni Mate $\geq$ 70% Ni FeNi $\geq$ 10% Ni Nickel Pig Iron (NPI) $\geq$ 4% Ni Metal Ni $\geq$ 93% and/or NiO $\geq$ 70% Ni
<b>Nikel dan/atau Kobalt (Proses Pelindian)</b> Limonit				Metal, Metal Oxide, Metal Sulfide, Mix Hydroxide/Sulfide Precipitate and Hydroxide Nickel Carbonate	Metal Ni $\geq$ 93% Mix Hydroxide Precipitate (MHP) $\geq$ 25% Ni Mix Sulfide Precipitate (MSP) $\geq$ 45% Ni Hydroxide Nickel Carbonate HNC $\geq$ 40% Ni NiS $\geq$ 40% Co Metal Cr $\geq$ 99% and/or Cr2O2 $\geq$ 40%
<b>Nickel and/or cobalt (Reduction Process)</b> a. Saprolit b. Limonit				Metal Alloys	FeNi Spon (Sponge FeNi) $\geq$ 4% Ni Luppen FeNi $\geq$ 4% Ni and/or Nugget FeNi $\geq$ 4% Ni

## Facilities/Incentives for Industrial Business License (IUI) Special Production Operations in Purification Facility Development

Type of Facilities	Legal Basis	Criteria
Corporate Income Tax Allowance Facility	<ul style="list-style-type: none"> <li>Government Regulation Number 18 Year 2015</li> <li>Regulation of ERM Minister Number 16 Year 2015</li> </ul>	<ul style="list-style-type: none"> <li>- Has a high investment value or high value for export</li> <li>- Provide a large job offer, or</li> <li>- It has a high local content</li> <li>- Has investment value for processing and refining:                             <ul style="list-style-type: none"> <li>• Copper ore: IDR 250 billion</li> <li>• Gold or silver ores: IDR 100 billion</li> <li>• Iron sand: IDR 100 billion</li> <li>• Iron ore: IDR 100 billion</li> <li>• Uranium and thorium: IDR 100 billion</li> <li>• Tin ore: IDR 100 billion</li> <li>• Lead ore: IDR 50 billion</li> <li>• Bauxite ore: IDR 250 billion</li> <li>• Copper ore: IDR 250 billion</li> <li>• Nickel: IDR 100 billion</li> <li>• Manganese ore: IDR 100 billion</li> <li>• Zinc ore: IDR 50 billion</li> <li>• Zircon ore: IDR 50 billion</li> </ul> </li> </ul>
Duty-free on Import of Machinery, Goods and Materials, VAT-free on Import of Machinery	<ul style="list-style-type: none"> <li>Law Number 25 Year 2007</li> <li>Regulation of the Minister of Finance Number 176 Year 2009</li> </ul>	<p>Investments that meet one of the following criteria:</p> <ul style="list-style-type: none"> <li>- Provide a large number of job vacancies</li> <li>- Included in high priority scale</li> <li>- Included in infrastructure development</li> <li>- Conducting Transfer technology</li> <li>- Doing pioneer industry</li> <li>- Conducting research, development, and innovation</li> <li>- Using capital goods/machinery produced domestically</li> <li>- Etc</li> </ul>

## Facilities/Incentives for Mining Business License (IUP) Production Operation (OP) of Refining Facility Development

Type of Facilities	Legal Basis	Criteria
Foreign Investment divestment of 40% (less if compared to upstream activities only, 51%)	Government Regulation Number 77 Year 2014	Liabilities of divestment of shares for IUP of OP and IUPK OP after 5 years of production: <ul style="list-style-type: none"> <li>• 51% for IUP/IUPK OP which does not perform its own processing and/or refining</li> <li>• 40% for IUP OP/IUPK OP which performs its own processing and/or refining</li> </ul>
Royalties apply to final products in terms of integrated activities (refining activities from upstream to downstream)	Revised draft of Government Regulation Number 9 Year 2012	
The smelter developer (in the case of cooperation) shall not be subject to the ore royalties (royalties shall be imposed on the IUP Holders)		



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