

Hazardous and Toxic Waste Management Business Licensing in Indonesia

According to Government Regulation No. 22 of 2021 dated February, 2, 2021, regarding the Implementation of Environmental Protection and Management (“**GR 22/2021**”), everyone, including every business and activity, that produces Hazardous and Toxic Waste (*Limbah Bahan Berbahaya dan Beracun* – “**LB3**”) must manage the LB3 that it produces.¹ Such LB3 management can be done by the party that produces the waste or it can be assigned to a licensed third party. In either case, LB3 management activities can only be done after obtaining the required license.

The Indonesian Ministry of Environment and Forestry (“**MOEF**”) has issued MOEF Regulation No. 9 of 2023 dated August 24, 2023, regarding Business Licensing and Government Approval in the LB3 Management Sector (“**MOEF Reg 9/2023**”) as an implementing regulation of GR 22/2021. MOEF Reg 9/2023 specifically addresses licensing for LB3 management business activities.

MOEF Reg 9/2023 sets out the applicable procedures to secure the following:²

Approval	Recipient
LB3 Management Business Licensing	Business Actors
LB3 Management Government Approval	Government Agencies

In this article, we will focus on the procedures to secure LB3 Management Business Licensing for Business Actors.

Scope of Business Activities

The applicable Indonesian Standard Industrial Classifications (*Klasifikasi Baku Lapangan Usaha Indonesia* – “**KBLI**”) for LB3 management activities are as follows:

KBLI	KBLI Description	Business Activities	Required Approvals ³
38120 - Hazardous Waste Collection	This group includes the collection of hazardous solid and non-solid waste as well as specific waste, for example explosive materials, easily oxidized materials, flammable materials, toxic materials, irritants, carcinogens, corrosive materials, materials that can cause infections, and other substances and preparations hazardous to human health and the environment. This activity also requires the identification, handling,	Collection of LB3	<ol style="list-style-type: none"> 1. Technical Approval for LB3 Management for LB3 Collection 2. Environmental Approval 3. LB3 Business Licensing

¹ GR 22/2021, Articles 274 and 276

² MOEF Reg 9/2023, Article 3 paragraph (1)

³ GR 22/2021, Article 300 paragraphs (1) and (2)

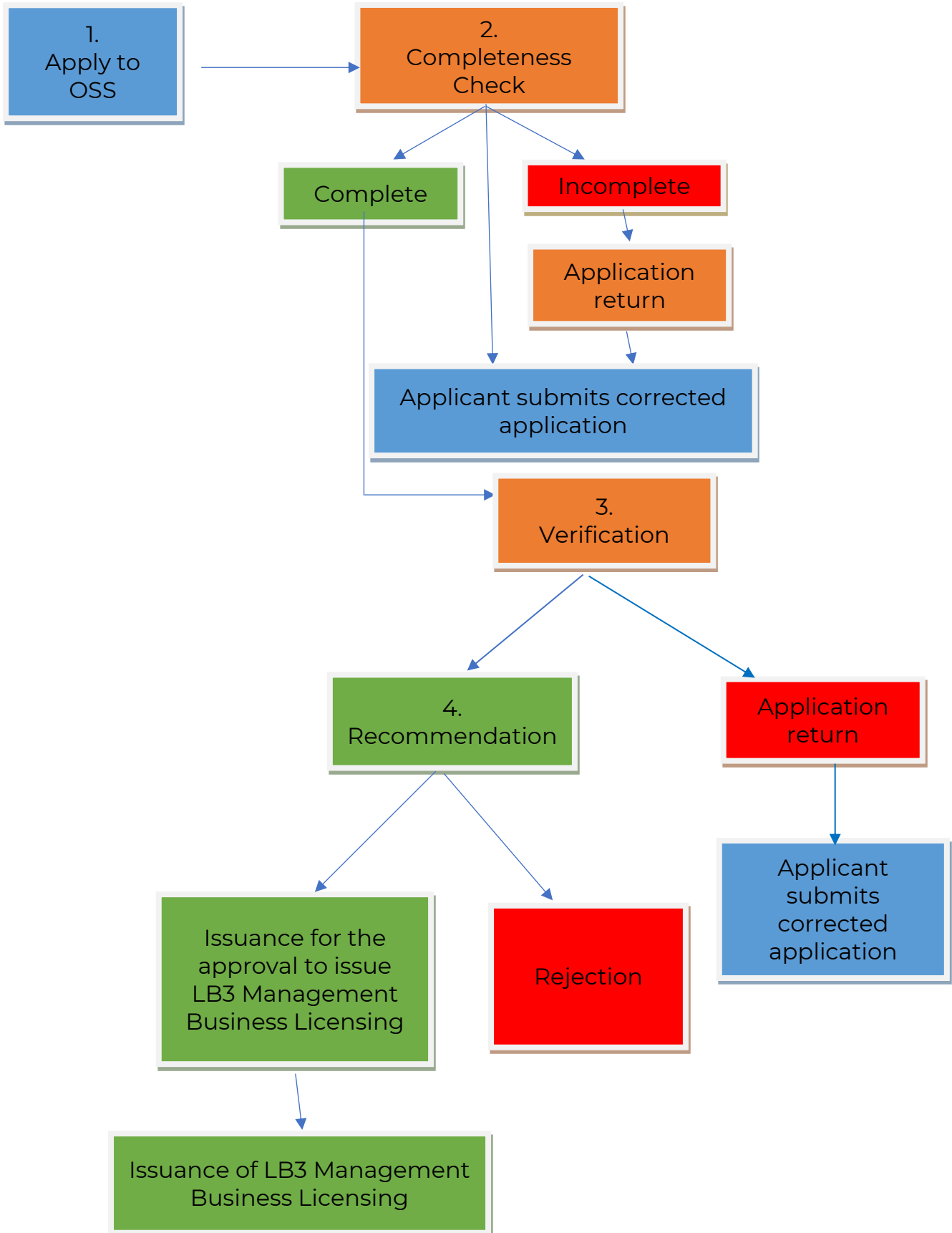
KBLI	KBLI Description	Business Activities	Required Approvals ³
	packaging and labeling of hazardous waste and specific waste. This group includes the collection of hazardous waste and specific waste, such as used oil from ships or workshops, bio-hazardous waste, accumulators and used batteries.		
38220 – Hazardous Waste Treatment and Discharge	This group includes treatment and disposal business activities managed by both the government and the private sector, such as the disposal and treatment of hazardous solid or non-solid waste and specific waste, including explosive materials, easily oxidized materials, flammable materials, toxic materials, irritants, carcinogens, corrosive or infectious substances, and other substances and preparations which are harmful to human health and the environment. Its activities are the business of operating facilities for the disposal of hazardous waste and specific waste, the treatment and disposal of live or dead poisonous animals and other contaminated waste, incineration of hazardous waste, the treatment, disposal and storage of radioactive waste, such as the treatment and disposal of transitional radioactive waste, including decay during the waste disposal period and packaging, and the preparation and other treatment of radioactive waste.	<ol style="list-style-type: none"> <li data-bbox="876 600 1158 1043">1. Hazardous and Toxic Waste Utilization⁴ <li data-bbox="876 1043 1158 1346">2. Hazardous and Toxic Waste Processing⁵ <li data-bbox="876 1346 1158 1650">3. Hazardous and Toxic Waste Stockpiling⁶ 	<ol style="list-style-type: none"> <li data-bbox="1158 600 1481 1043">1. Technical Approval for LB3 Management for LB3 Utilization <li data-bbox="1158 1043 1481 1346">2. Environmental Approval <li data-bbox="1158 1346 1481 1650">3. LB3 Business Licensing

⁴ GR 22/2021, Article 318 paragraphs (1) – (2)

⁵ GR 22/2021, Articles 344 and 348

⁶ GR 22/2021, Articles 367(1) and 372

Procedure to Obtain LB3 Management Business Licensing



1. Applicant submits its application to the Online Single Submission (“**OSS**”) business licensing platform. The application consists of administrative and technical criteria in accordance with the respective requirements for each waste management activity under Appendix II of Government Regulation No. 5 of 2021 dated February 2, 2021, regarding Risk-Based Licensing (“**GR 5/2021**”). These criteria consist of, among other things, Environmental Approval, Operational Approval Letter, and proof of ownership of Environmental Pollution or Damage Response Funds or Restoration of Environmental Functions Guarantee Fund.⁷
2. The MOEF, Governor, or Mayor/Regent (“**Relevant Authority**”) will inspect the completeness of the administrative criteria of the application within two days of the receipt of the application. If the application is incomplete, the Relevant Authority will return the application to the Applicant and the Applicant must re-submit its corrected application within 10 days as of the receipt of the returned application.⁸
3. If the application is complete, the Relevant Authority will verify the validity of the complete application by no later than three days from the application being declared complete.⁹
4. Further to the verification, the Relevant Authority will issue a recommendation to the OSS System on the approval or rejection of the Applicant, and the OSS System will issue the LB3 Management Business Licensing within five days as of the verification process declaring the application to be valid.¹⁰
5. If the Relevant Authority issues an approval recommending an issuance of LB3 Management, the OSS System will issue the LB3 Management Business Licensing, which will be valid for five years and can be extended by applying for an extension no later than 60 days before the license expires.¹¹

Closing

Businesses and/or activities that manage LB3 must first ensure that they include the relevant KBLIs as set out above in their articles of association. Although the application process involves the Relevant Authority, the application to obtain LB3 Management Business Licensing will be informed and issued through the OSS System. (15 September 2023)

⁷ MOEF Reg 9/2023, Article 4 and GR 5/2021, Appendix II

⁸ MOEF Reg 9/2023, Articles 5-7

⁹ MOEF Reg 9/2023, Article 8(1)

¹⁰ MOEF Reg 9/2023, Article 10(1)-(3)

¹¹ MOEF Reg 9/2023, Article 10(4)-(5) and Article 11



For more information, please contact:

Denny Rahmansyah, Partner
dennyrahmansyah@ssek.com

Shafira A. Hexagraha, Associate
shafirahexagraha@ssek.com

This publication is intended for informational purposes only and does not constitute legal advice. Any reliance on the material contained herein is at the user's own risk. All SSEK publications are copyrighted and may not be reproduced without the express written consent of SSEK.

