ATD LAW
in association with
MORI HAMADA

Newsletter

March 18, 2025

Notable Provisions on the Latest DHE SDA Regulation for the Exporting Industry

Alfa Dewi Setiawati
Partner
alfa.s@morihamada.com

Ivan Tjahjadi
Associate
ivan.t@morihamada.com

Introduction

Indonesia continues to tighten its regulations on foreign exchange earnings from natural resources exports. Various regulations as outlined below mandate that natural resources exporters deposit a portion of their export earnings into Indonesian financial institutions for a specified period. This briefing provides an overview of a new regulation which, among other changes, requires exporters in the mining sector to deposit 100% of their foreign exchange earnings, up from the previous 30%.

Overview of the Regulatory Regime

The Foreign Exchange Export Proceeds from Natural Resources (*Devisa Hasil Ekspor dari Kegiatan Pengusahaan, Pengelolaan, dan/atau Pengolahan Sumber Daya Alam*, "**DHE SDA**") regime was first introduced under Government Regulation No. 1 of 2019 and was later replaced by Government Regulation No. 36 of 2023 ("**GR 36/2023**"). These regulations, supplemented by Bank Indonesia Regulation No. 7 of 2023, mandate that natural resources exporters deposit a portion of their export earnings into Indonesian financial institutions for a specified period. The government has updated GR 36/2023 through the issuance of Government Regulation No. 8 of 2025 ("**GR 8/2025**"), which took effect on 1 March 2025, along with its implementing regulation, Bank Indonesia Regulation No. 3 of 2025 ("**PBI 3/2025**"), that revises Bank Indonesia Regulation No. 7 of 2023.

The changes under the new regulation and impact on exporters are outlined below.

The information provided in this bulletin is summary in nature and does not purport to be comprehensive or to render legal advice.
Please contact our lawyers if you would like to obtain advice about specific situations.
© ATD Law in association with Mori Hamada. All rights reserved.

I. Key Amendment in GR 8/2025: More Stringent DHE SDA Rules for the Mining Sector

1. Sector-Based Classification of DHE SDA

Previously, under GR 36/2023, all DHE SDA were subject to the same requirements, regardless of the sector of the natural resources commodities being exported. However, GR 8/2025 introduces sector-based classifications, dividing DHE SDA into:

(1) DHE SDA generated from the mining (excluding oil and gas), plantation, forestry, and fisheries sectors ("**Classification 1**"); and

(2) DHE SDA generated from the mining sector in the form of oil and gas ("**Classification 2**").

2. The Updated DHE SDA Retention Requirements

(1) Minimum Retention Percentage

One of the most notable amendments in GR 8/2025 is the increase in the minimum retention percentage for certain sectors. Under the new regulation, exporters of DHE SDA from Classification 1 must retain 100% (one hundred percent) of their foreign exchange earnings in Indonesian financial institutions. This presents a major increase from the previous 30% (thirty percent) requirement. Meanwhile, exporters in Classification 2 will still be subject to the 30% (thirty percent) minimum retention requirement.

(2) Minimum Retention Period

The minimum retention period has also been revised under GR 8/2025. Previously, all DHE SDA funds were required to be retained for a minimum of three months, regardless of the sector. Under the new regulation, DHE SDA from Classification 1 must now be retained for at least 12 (twelve) months. However, for Classification 2, the three-month minimum retention period remains unchanged.

3. DHE SDA Placement

Both GR 36/2023 and GR 8/2025 allow DHE SDA funds to be placed in (i) special DHE SDA accounts, (ii) banking instruments, (iii) financial instruments issued by the Indonesian Export Financing Agency (*Lembaga Pembiayaan Ekspor Indonesia*, "**LPEI**"), and (iv) instruments issued by Bank Indonesia. However, PBI 3/2025 expands the available placement options by adding instruments issued by Bank Indonesia in the form of foreign currency securities and foreign currency sukuk.

Additionally, under Article 8 (1a) of GR 8/2025, DHE SDA funds placed in banking instruments may not be withdrawn before maturity.

The information provided in this bulletin is summary in nature and does not purport to be comprehensive or to render legal advice.
Please contact our lawyers if you would like to obtain advice about specific situations.
© ATD Law in association with Mori Hamada. All rights reserved.

4. Utilization of DHE SDA Funds

The permitted utilization of DHE SDA funds remains largely unchanged under GR 8/2025, allowing exporters to use these funds for export duties, loan repayments, imports, dividend payments, and investments. However, the new regulation expands the permitted uses for DHE SDA Classification 1. Exporters in Classification 1 may now use their DHE SDA funds for foreign currency exchange into rupiah (via cash or forward transactions at the same bank), payment of government obligations (taxes, levies, etc.) in foreign currency, dividend payments in foreign currency, procurement of raw materials and capital goods in foreign currency, and repayment of loans for capital goods in foreign currency.

Notably, these specific uses can be applied before the 12-month retention period lapses. For instance, if an exporter deposits USD 2 million in DHE SDA funds in August 2025, and in December 2025, the exporter needs to pay USD 500,000 in foreign currency dividends, the exporter may use the deposited funds for this purpose without waiting for the full retention period to end.

5. Supervision of DHE SDA Placement

Bank Indonesia remains responsible for supervising the placement and utilization of DHE SDA. However, GR 8/2025 and PBI 3/2025 introduce a more detailed oversight mechanism. For DHE SDA from Classification 1, Bank Indonesia will closely monitor placement, exchange, and usage through direct inspections and audits, which may be conducted at any time. Meanwhile, DHE SDA from Classification 2 will be subject to indirect supervision, with audits conducted only if necessary.

II. Rationale for the Change and Industry Response

The new regulation is designed to strengthen financial stability and promote local distribution of goods by increasing the circulation of export proceeds within the domestic market. The measure aligns with the government's broader goal of optimizing Indonesia's natural resources for the prosperity of its people.

While these regulations aim to bolster economic stability, relevant business players have raised concerns over the new requirements. There is apprehension that the prolonged retention periods could disrupt cash flow and negatively impact global competitiveness. For industries reliant on continuous capital movement, limiting access to foreign exchange earnings for up to 12 (twelve) months could pose significant operational challenges.

Businesses will need to reevaluate their financial strategies to ensure compliance while maintaining liquidity and operational efficiency. It remains to be seen whether the government will address these industry concerns.

The information provided in this bulletin is summary in nature and does not purport to be comprehensive or to render legal advice.
Please contact our lawyers if you would like to obtain advice about specific situations.
© ATD Law in association with Mori Hamada. All rights reserved.