

Macau Enacts a New Civil Aviation Activities Law

*Macau has enacted a new legal framework governing civil aviation activities with the approval of **Law No. 4/2025 – Civil Aviation Activities Law**, which entered into force on **1 February 2026**. The new law replaces the previous regime established under **Administrative Regulation No. 10/2004** and introduces a modernised regulatory framework for the organisation, operation, and supervision of civil aviation activities in Macau.*

The reform reflects the government's intention to update the existing framework of the aviation sector, enhance safety and regulatory oversight, and gradually liberalise Macau's aviation market in line with international practices.

This legal alert highlights several key aspects of the new law that may be relevant for businesses and investors in the aviation sector.

From Monopoly Concession to a Licensing Regime

One of the most significant structural reforms introduced by the new law concerns the liberalisation of Macau's commercial air transport market.

For nearly three decades, commercial passenger air transport services based in Macau operated under an exclusive concession held by Air Macau, originally granted in 1995. Under this system, Air Macau was the only airline authorised to operate as a locally based carrier providing commercial passenger transport services.

The new Civil Aviation Activities Law abolishes this concession model and introduces a **licensing regime**. Commercial passenger air transport services will now be carried

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out by operators holding a **Commercial Passenger Air Transport License**, which will generally be granted through a public tender process (although the Chief Executive may grant the license through direct negotiation due to public interest).

The number of licenses to be granted will be determined by the Chief Executive. Applicants will need to satisfy a range of requirements, including being incorporated in Macau as a joint-stock company, compliance with financial requirements and the fulfilment of technical and operational standards established by the Civil Aviation Authority.

This reform effectively **ends Air Macau's long-standing monopoly** and creates the legal framework for additional Macau-based airlines to enter the market. Air Macau has already transitioned to the new regime and has been granted a **20-year operating license valid from 1 February 2026 to 31 January 2046**.

However, the liberalisation of the aviation market is expected to take place gradually. The new law does not specify how many licenses will be issued or when new tenders will be launched. Government officials have indicated that market opening will be conducted in a steady and gradual manner given the relatively small size of Macau's aviation market.

As a result, while the new law provides opportunities for potential new entrants, the practical emergence of additional Macau-based airlines may still take time.

Establishment of a Comprehensive Regulatory Framework

The new law establishes a comprehensive legal framework regulating civil aviation activities in Macau, including:

- commercial air transport operations;
- general aviation activities;
- aviation infrastructure and services;
- safety oversight and operational compliance.

The legislation strengthens the supervisory powers of the Civil Aviation Authority of Macau (AACM), which will continue to play a central role in licensing, monitoring and enforcing regulatory requirements applicable to aviation operators.

The new framework aims to ensure that aviation activities in Macau comply with international aviation standards while supporting the sustainable development of the aviation sector.

Introduction of Regulatory Framework for Drones

The new law also **formally introduces a regulatory framework for unmanned aircraft systems, commonly known as drones.**

With the increasing use of drones in commercial activities — including aerial photography, infrastructure inspection, engineering surveys, logistics and media production — their operation raises new concerns relating to aviation safety, public safety and privacy protection.

Under the law, drone operations are subject to a specific regulatory regime. Drones are **classified according to their physical characteristics and the level of risk they pose to public safety**, and drone operations generally require **prior authorisation from the Civil Aviation Authority**, except in cases considered to present lower risk and which may be defined in supplementary regulations.

The law itself does not establish detailed operational requirements for drone activities. Instead, it provides the legal basis for the adoption of **supplementary regulations and other regulatory instruments** that may further define the operational conditions applicable to drone operations.

Licensing and Financial Requirements

Operators seeking to conduct commercial aviation activities in Macau will need to obtain the relevant licenses and comply with several regulatory requirements.

These include financial thresholds and operational conditions intended to ensure that operators possess sufficient technical capability and financial resources to conduct aviation activities safely and sustainably.

Recent executive orders issued in connection with the new law (**Chief Executive's Dispatches Nos. 157/2025, 158/2025 and 159/2025**) establish additional requirements such as:

- minimum share capital requirements for airline operators;
- a financial deposit for locally registered airlines;
- license fees and annual operating charges.

These requirements aim to strengthen the financial stability and operational reliability of aviation operators.

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What This Means for Businesses

The new Civil Aviation Activities Law represents a significant reform of Macau's aviation regulatory framework and introduces potential opportunities for market participants.

For aviation operators, investors and related service providers, several developments are worth monitoring:

- potential future public tenders for commercial air transport licenses;
- the evolution of regulatory requirements for aviation operators;
- opportunities in air cargo and general aviation sectors;
- businesses using drones in their operations should review whether their existing operational structures comply with the new regulatory framework;
- Registration of leased aircrafts in Macau;
- infrastructure developments linked to the expansion of Macau International Airport.

Although the market will not open immediately to multiple new carriers, the new law establishes the legal foundation for a more diversified aviation sector in Macau in the longer term.

Businesses interested in the aviation industry or in drone-related commercial activities should therefore monitor future implementing regulations and tender procedures that may be introduced by the Macau government.

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