



MYANMAR AVIATION LAWS

SOME KEY ASPECTS



This publication is based on our understanding of the publicly available aviation regulations in Myanmar. It may be affected by laws subsequently passed by the Myanmar government or notifications adopted by various ministries.

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INTRODUCTION

Myanmar's civil aviation sector is evolving, and international airlines, aircraft lessors, financiers, and investors can access the market through several participation models. To operate effectively in this jurisdiction, organisations must understand the regulatory framework and actively engage with government authorities.

The Department of Civil Aviation under the Ministry of Transport and Communications regulates the sector and ensures alignment with international standards by incorporating ICAO provisions. The Myanmar Transport Safety Branch conducts accident investigations independently.

Foreign participants may enter the aviation sector, but they must comply with restrictions, including limits on full foreign ownership. Investors usually form joint ventures with local partners and obtain approval from the Ministry of Transport and Communications. Market participants primarily rely on aircraft leasing, facilitated by Myanmar's accession to the Cape Town Convention and the frequent use of foreign governing law, most often English law, in commercial agreements.

Participants also need to plan for procedural and operational challenges. Aircraft importation requires multiple permits from various agencies, and approval timelines may remain uncertain. Remitting foreign currency payments such as lease rentals requires approval under the Foreign Exchange Management Law. Local courts have limited experience handling complex cross-border disputes, so parties often select foreign-seated arbitration to manage enforcement risk.

This guide explains the regulatory requirements, licensing processes, and transactional considerations for aviation operations in Myanmar. It addresses the practical issues that arise and demonstrates how experienced local legal advisers help navigate regulatory interactions and support transaction execution.



REGULATORY COMPLIANCES

1. Who are the primary regulatory bodies overseeing civil aviation in Myanmar?

The primary regulatory body overseeing civil aviation in Myanmar is the Department of Civil Aviation ("DCA"), which operates under the Ministry of Transport and Communications ("MOTC").

2. What is the role of the Department of Civil Aviation (DCA) under Myanmar's Ministry of Transport and Communications (MOTC)?

DCAs key roles include:

- Aviation safety and security in accordance with existing laws and

international standards (especially ICAO regulations).

- Licensing and certifying aircraft, air operators, pilots, and other aviation personnel.
- Regulating airworthiness and flight operations, including the inspection and maintenance of aircraft.
- Managing air traffic services and aeronautical navigation systems to ensure safe and efficient airspace operations.
- Overseeing the development, operation, and safety standards of airports and aerodromes.
- Providing aeronautical information services and meteorological support to aviation stakeholders.
- Implementing and monitoring aviation policies and coordinating with international aviation organizations.

In essence, DCA serves as the central authority for maintaining and promoting a safe, secure, and efficient civil aviation system in Myanmar.

3. How does Myanmar comply with international aviation standards, such as ICAO (International Civil Aviation Organization)?

Myanmar complies with international aviation standards by adopting ICAO regulations into national laws and ensuring oversight through the DCA. It maintains safety by licensing aviation personnel, certifying aircraft, and managing airports and air traffic according to global standards.

Accident investigations are carried out independently by the Myanmar Transport Safety Branch (MSTB). Myanmar also

strengthens compliance through ICAO audits, technical cooperation, and regional aviation agreements.

4. Are there any restrictions imposed by Myanmar regulators on foreign ownership or investment in aviation-related businesses?

In Myanmar's aviation sector, 100% foreign ownership is generally not permitted. Foreign investors are typically required to enter joint ventures with local partners, and such arrangements must receive approval from the MOTC.

5. What oversight mechanisms are in place for airport operations, air traffic control, and safety inspections?

In Myanmar, several oversight mechanisms are in place for airport operations, air traffic control, and safety inspections:

- Airport operations are monitored through regular inspections, licensing, and compliance checks to ensure adherence to ICAO standards.
- Air traffic control services are managed by the DCA's Air Navigation Services Division, which oversees training, equipment standards, and operational procedures.
- Safety inspections, including routine audits of aircraft, airport facilities, and airline operations, to ensure continued compliance with national and international safety regulations.
- DCA also conducts surveillance and enforcement actions if safety deficiencies are found and works closely with ICAO for oversight assessments and audits.



|| LICENSING ASPECTS

6. What are the main types of aviation licenses issued in Myanmar?

To operate commercial air transport services, an Air Operator Certificate is required.

7. What are the standard requirements and processes for obtaining an Air Operator Certificate (AOC) in Myanmar?

The key requirements for obtaining an AOC:

- Organization Structure;
- Safety Management System;

- Operational Procedures;
- Aircraft and Equipment;
- Financial Stability;
- Insurance Coverage;
- Compliance with International Standards.

Application Process:

- Pre-application consultation with DCA;
- Submission of application to the DCA;
- Document review by the DCA to ensure compliance with Myanmar Civil Aviation Requirement standards;
- DCA inspectors will conduct on-site evaluations, including (i) inspection of facilities; (ii) review of operational procedures; and (iii) interviews with key personnel;
- Approval and issuance of the AOC, granting authorization to commence operations.

8. Are foreign airlines or lessors required to obtain any local permits or licenses before operating in or leasing to Myanmar?

Foreign Airlines: Must obtain operating permits and comply with Bilateral Air Services Agreement (BASAs) and local regulations before flying to or within Myanmar.

Foreign Lessors: Generally, need to follow Myanmar's leasing and registration procedures, possibly requiring approvals from MOTC through a local Myanmar airline.

9. How are aviation personnel (pilots, engineers) licensed and certified under Myanmar law?

Under Myanmar law, aviation personnel are licensed and certified by the DCA in accordance with the Myanmar Civil Aviation Requirement (MCAR), which implements the Myanmar Aircraft Act 1934 and follows ICAO standards. MCAR prescribes the requirements for issuing, renewing, and revalidating licenses and ratings, such as Student Pilot License, Private Pilot License, Commercial Pilot License, and Airline Transport Pilot License, including age, education, flight training, examinations, medical certification, language proficiency, and skill tests.

Aircraft maintenance engineers are licensed per the MCAR as well.

Both pilots and engineers must comply with validity and renewal rules, demonstrate recent experience, and meet DCA standards, while foreign license holders may receive validation or conversion, subject to MCAR procedures.



TYPICAL TRANSACTIONS

10. What are the most common commercial aviation transactions in Myanmar?

Aircraft sale and purchase deals do occur in Myanmar, but leasing and financing arrangements are more common.

11. Are aircraft lease agreements typically governed by local law, or are they subject to international norms (e.g., English law)?

In Myanmar, aircraft lease agreements are typically governed under foreign law (most commonly English law).

12. What are the key regulatory approvals required in Myanmar for the sale of an aircraft to a Myanmar-based airline?

Approval from the MOTC, based on recommendations from other relevant ministries such as the Ministry of Planning and Finance and the Myanmar Investment Commission, are some of the key regulatory requirements for the sale of an aircraft to a Myanmar-based airline.

13. Can aircraft sale and purchase agreements (SPAs) governed by foreign law be enforced in Myanmar courts? Are there any restrictions or risks?

Aircraft SPAs governed by foreign law can be enforced in Myanmar courts in principle, but enforcement may be limited by mandatory local laws, public policy, and procedural requirements. Foreign court judgments are generally enforceable, but the court may check for conclusive of foreign judgment before passing execution order. Courts typically have less experience with complex international commercial matters so alternative forms of dispute resolution should be considered.

Using foreign seated arbitration is recommended. Arbitral award executions are subject to recognition and enforcement checks before a Myanmar court as per the law.

14. What due diligence should foreign investors undertake when entering into aviation-related joint ventures in Myanmar?

Foreign investors entering aviation-related joint ventures in Myanmar should review regulatory compliance, the local partner's corporate structure, license and permit status, financial health, and any ongoing disputes.

15. What are the foreign exchange control requirements, if any, for payments related to the purchase, lease, or financing of aircraft involving Myanmar entities?

Under Myanmar's current foreign exchange regulations, any remittance of foreign currency, including USD from Myanmar, requires prior approval from the Foreign Exchange Supervisory Committee ("FESC").





The Foreign Exchange Management Law 2012 ("FEML") distinguishes between current account and capital account payments. Current account payments are defined in a limited manner as: payments towards short-term loans, trade and services; interest on loans and net income from investment; repayment by instalment for the loans or depreciation for direct investment; and transfer within Myanmar or from a foreign country for family living expenses. All other payments are classified as capital account payments.

In practice, under the current FX regime, all foreign currency remittances from Myanmar are subject to FESC approval, whether classified as current or capital account payments. The FESC's decision-making criteria are not publicly disclosed, but approvals are generally based on review of supporting documentation submitted with the application. Thus, remittance of aircraft lease rent payments must be approved by the FESC.

16. Is Myanmar a signatory to the Cape Town Convention, and how does that impact aircraft financing or leasing?

Myanmar is a party to the Cape Town Convention and its Aircraft Protocol, having acceded in 2012 and implemented it through domestic law in 2014 (Law Relating to International Interests in Respect of Aircraft Equipment).

This allows foreign financiers and lessors to register international interests in aircraft, ensuring legal recognition and enforceable remedies in Myanmar, reducing risk and potentially lowering financing costs.

17. What practical challenges must foreign sellers, lessors be aware of when dealing with aircraft transactions involving Myanmar parties or operations?

Importing an aircraft into Myanmar requires securing multiple permits and import approvals (including the assessment of import duties) from different government departments, and the aircraft can only enter the country once all approvals are obtained. A major difficulty is the lack of a clear or predictable timeline for processing these permits, which can delay delivery, acceptance, or redelivery schedules.

YOUR CHALLENGES AND OUR SOLUTIONS

MARKET ENTRY AND INVESTMENT CHALLENGES

- Navigating foreign ownership restrictions while maximizing operational control and investment protection.
- Finding the right partner to do business with.

OUR SOLUTIONS

- Joint venture partner comprehensive due diligence
- Investment structure legal and tax optimisation
- Regulatory approval strategy and execution
- Shareholder agreement negotiation
- Corporate governance framework design

LICENSING AND OTHER REGULATORY CHALLENGES

Obtaining and maintaining operating authorities in a complex regulatory environment.

OUR SOLUTIONS

- Liaison with aviation authority and coordination
- Operating permit applications for foreign carriers
- Ongoing regulatory compliance monitoring

TRANSACTIONAL CHALLENGES

- Executing cross-border transactions with enforceable documentation and regulatory certainty.
- Structuring bankable transactions with enforceable security in an emerging market.

OUR SOLUTIONS

- Sale and purchase agreement review for Myanmar law compliance
- Multi-agency approval coordination
- Escrow and closing management
- Cape Town Convention registration and priority structuring
- Lease agreement review and negotiation from Myanmar law perspective
- FX approval application review
- Security package documentation
- Default remedies and repossession planning

AWARDS & RANKINGS

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2025 Chambers Asia Pacific

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2025 The Legal 500 Asia Pacific

Tier 1 – Leading Firm – Cambodia & Lao PDR
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2024 Asia Business Law Journal

Thailand Law Firm Award 2024

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Practice Areas

Outstanding – General Business Law

Industry Sectors

Highly Recommended – Banking and Financial Services/Consumer

Goods and Services/Industrials and Manufacturing

Lao PDR Firm of the Year

Industry Sector

Highly Recommended – Banking and Financial Services/Infrastructure

Practice Area

Outstanding – General Business Law

Thailand

Industry Sector

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Our dedicated professionals exhibit the acumen and insight necessary to assist you in navigating the legal complexities and challenges. Drawing on a wide-ranging industry experience and finely tuned local knowledge in countries we operate in, we strive to provide concise, commercially focused and innovative advice.

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DFDL collaborated with the following local firms:

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- Nusantara DFDL Partnership, Indonesia
- Robin Lynn Lee, Malaysia
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DFDL Myanmar Limited

DFDL Myanmar Limited provides a full range of legal and tax services to foreign and local investors operating in Myanmar. Our team of experienced local lawyers and foreign legal advisers provide efficient, effective, and practical legal services at an international standard, coupled with a high-level personal in-depth knowledge of the local environment.

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