§ 1423.4 General requirements.
(a) Unless otherwise provided in this part, approved warehouse operators must maintain a current and valid license for the kind of storage operation for which the warehouse operator seeks approval if such a license is required by State or local laws or regulations and maintain accurate and complete inventory and operating records.
(b) Approved warehouse operators may only use pre-numbered warehouse receipts, or pre-assigned ranges of numbers for electronic warehouse receipts as set forth in the agreement, and may only use pre-numbered scale tickets, if applicable, as CCC may approve.
(c) In addition, the warehouse operator must:
(1) Be in compliance with state and local laws regarding fire safety;
(2) Furnish a copy of any written lease agreement to CCC with the application. All leases are subject to CCC approval; and
(3) Have sufficient employees and management with technical qualifications and skills in the warehousing business regarding the commodities subject to the agreement.
(d) Unless otherwise provided in this part, each approved warehouse shall:
(1) Be maintained under the control of the warehouse operator;
(2) Be maintained in a good state of repair; and
(3) Maintain adequate equipment to receive, handle, store, preserve and deliver the applicable commodity.

§ 1423.5 Application requirements.
To apply for approval under this part, a warehouse operator shall submit to CCC the following:
(a) An application as prescribed by CCC for the applicable commodity storage agreement;
(b) Evidence of compliance with § 1423.4;
(c) Current financial information sufficient to meet the requirements of § 1423.6;
(d) For State licensed or non-licensed warehouse operators, a sample copy of the warehouse operator’s warehouse receipts or electronic warehouse receipt record descriptor when applicable; and
(e) Such other documents or information as CCC may require to make a determination that the warehouse operator can comply with the provisions of this part.

§ 1423.6 Financial information documentation requirements.
To be approved under this part, a warehouse operator shall submit a current financial statement at the time of application, and annually thereafter, as provided for in the applicable storage agreement.

§ 1423.7 Net worth alternatives.
Warehouse operators with net worth equal to or greater than the minimum net worth required, but less than the total net worth for the commodity involved in the particular agreement, may satisfy the net worth deficiency by furnishing one of the following:
(a) A bond which:
(1) Is executed by a surety approved by the U.S. Department of the Treasury so long as the surety maintains someone authorized to accept service of legal process in the State where the warehouse is located.
(2) Is executed on either a bond form obtained from CCC, or which is furnished under State law or operational rules for non-governmental supervisory agencies, if approved by CCC, so long as CCC determines that such alternative bond:
(i) Provides adequate protection to CCC;
(ii) Has been executed by a surety approved by the U.S. Department of the Treasury or has an acceptable blanket rider and endorsement executed by such a surety with the liability of the surety under such rider or endorsement being the same as that of the surety under the original bond; and
(iii) Is effective for at least 1 year and cannot be canceled without 120 days notice to CCC. Excess coverage on a bond for one warehouse will not be accepted by CCC against insufficient bond coverage on other warehouses;
(b) Cash and negotiable securities. Any such cash or negotiable securities accepted by CCC will be returned to the warehouse operator when the period for which coverage was required has ended.