AQLVEST

AqlVest Methodology Guide

A professional guide to five Shariah company-screening authorities, their formulas, evidence requirements, and limits

Evidence First. Decision Yours.

AqlVest explains official evidence and methodology mechanics. It does not issue a fatwa, religious ruling, or investment advice.

Research date: 2026-07-15

Public education edition - methodology outputs remain evidence dependent

CONTENTS

What this guide covers

This guide uses the same verified public-source registry as the AqlVest Methodologies page. If a source version changes, claims must be re-audited before publication.

01 - INTERPRETATION

How to use a methodology result

Shariah company screening is not one universal calculation. A result is meaningful only together with the selected authority, official evidence, reporting period, formula definitions, and unresolved limitations.

Method-specific	A PASS under one method is not a universal religious or investment conclusion.
Evidence-bound	AqlVest does not invent a value, replace missing information with zero, or silently substitute a denominator.
Business first	If the company fails the selected business gate, financial screening returns NOT_RUN_BUSINESS_FAIL.
Period-aware	Market values, accounting statements, country inflation, and review buffers must match the method's required period.
Human-governed	Religious ambiguity, unresolved mixed activity, and unsupported interpretation stop at manual review.

AqlVest language

Use phrases such as appears acceptable under the selected methodology, review needed, insufficient data, and evidence suggests. Do not convert a screening output into a fatwa.

02 - WORKFLOW

Evidence-first processing sequence

01 **Verify the company**
Confirm the legal entity, ticker, reporting period, sector, industry, subsidiaries, and operating segments.

02 **Review business evidence**
Understand what the company does, who owns the activity, how revenue is attributed, and whether an exposure is material.

03 **Apply the business gate**
Use the selected methodology's definitions. A business failure stops financial screening; ambiguity stops at human review.

04 **Apply required financial tests**
Use only verified inputs, the specified denominator, operator, period, and constituent-buffer rules.

05 **Read evidence and uncertainty**
Open sources, inspect missing evidence, and interpret the result only under the selected methodology.

Required status vocabulary

PASS	The company passed under the selected methodology.
FAIL	The company failed under the selected methodology.
MANUAL_REVIEW	Qualified human review is required.
INSUFFICIENT_REQUIRED_EVIDENCE	A mandatory input or source is missing.
NOT_RUN_BUSINESS_FAIL	Financial screening was skipped because the business gate failed.
TECHNICAL_FAILURE	A pipeline or system error prevented completion.

03 - COMPARISON

Five authorities at a glance

Method	Authority type	Geographic scope	Typical use	Current source
AqlVest Founder Methodology	Founder-developed product methodology	Global in principle; operational coverage depends on verified official company and country-period inflation evidence	Evidence-first company research with visible uncertainty	2.0-2026-07-15
AAOIFI SS (21) Financial Paper (Shares and Bonds)	Institutional Shari'ah standard	Referenced across Islamic-finance markets, especially the GCC and other institutional Shari'ah-governance settings	Institutional governance and screening under AAOIFI Standard 21	SS (21); official AAOIFI English document available from the current standard page
MSCI Islamic Index Series	Global index methodology	Eligible developed and emerging markets defined by MSCI	Islamic equity-index construction and index-linked research	December 2025; stable latest-methodology endpoint
S&P Shariah Indices	Global index methodology	Global index universes governed by the applicable S&P underlying index	Construction and maintenance of S&P Shariah indices	May 2026
Nifty Shariah	Indian equity-index methodology	India and the Nifty 50, Nifty 500, and Nifty Shariah 25 index contexts described in the document	Shariah screening and maintenance of specified Nifty equity indices	January 2020

Why results differ

The same filing can produce different outcomes because a method may define prohibited activity differently, use total assets instead of market value, apply a strict rather than inclusive operator, average several reporting periods, or provide an index-entry or constituent buffer. AqlVest preserves these differences instead of blending them.

AqlVest Founder Methodology

Approved Founder direction implemented as deterministic AqlVest rules. It is not a fatwa, universal standard, or substitute for qualified scholarly review.

Authority	AqlVest
Version	2.0-2026-07-15
Geographic scope	Global in principle; operational coverage depends on verified official company and country-period inflation evidence
Typical use	Evidence-first company research with visible uncertainty

Business-screening gate

Conventional banking and verified prohibited primary activities fail. Insurance and legitimate defence are not automatic failures. Unclassified, genuinely mixed, or uncertain prohibited-weapons evidence requires human review.

- Verify identity, sector, industry, subsidiaries, ownership, operating segments, revenue attribution, and materiality before classification.

- Examples of prohibited primary activity include conventional banking, verified interest-based primary activity, alcohol, pork, gambling, and adult entertainment.

- Insurance is reviewed through the actual protection and revenue evidence; it is not excluded by sector alone.

- Defence and self-protection are not inherently prohibited; verified illegal, prohibited, or indiscriminate weapons activity fails, while uncertainty requires review.

Authority boundary

The present official-inflation implementation begins with verified US CPI-U data. Broader operational coverage requires verified country and matching-period inflation sources. No formula is approved for estimating unresolved mixed-business income.

Founder: financial rules and evidence

Check	Formula	Limit	Denominator	Implementation note
Interest-income share	interest_income_total / total_income	<= official country inflation	Total income	Inflation must match the issuer country and reporting year. Equality passes.
Explicit prohibited other income	trusted prohibited_other_income	must not be > 0	Not a ratio	No tolerance. Generic other income and ordinary non-disclosure are not treated as prohibited or as zero.
Debt	disclosure only	No Founder threshold	Not applicable	Debt remains visible and does not independently determine the Founder result.

Review cadence

Applied to the verified reporting period and matching annual country-inflation observation; rerun when required evidence or the methodology version changes.

Missing-evidence behavior

Missing mandatory values produce insufficient required evidence. A country or reporting-period mismatch requires human review. AqlVest never substitutes revenue for total income or fills a missing value with zero.

Purification boundary

AqlVest does not currently calculate a Founder purification amount. The approved v2 scope marks purification inactive; any future activation requires Founder approval and a new version.

Official source:
output/pdf/aqlvest-founder-methodology.pdf

AAOIFI SS (21) Financial Paper (Shares and Bonds)

AAOIFI publishes the standard. Product application may still require qualified interpretation where the checked clauses do not autonomously resolve a case.

Authority	Accounting and Auditing Organization for Islamic Financial Institutions
Version	SS (21); official AAOIFI English document available from the current standard page
Geographic scope	Referenced across Islamic-finance markets, especially the GCC and other institutional Shari'ah-governance settings
Typical use	Institutional governance and screening under AAOIFI Standard 21

Business-screening gate

The primary activity must be lawful and the company's constitutive documents must not state an impermissible objective. Business screening is completed before the financial conditions.

- Verify the primary activity and the company's stated objectives.
- Review incidental prohibited activity and the source of prohibited income rather than relying on sector alone.
- Insurance, defence, and tangible-asset or tradability cases that lack sufficient interpretive authority remain human review in AqlVest.

Authority boundary

The public document is an AAOIFI-hosted English SS21 text. Users applying the standard should consult the official publication and qualified governance where interpretation is required.

AAOIFI SS21: financial rules and evidence

Check	Formula	Limit	Denominator	Implementation note
Interest-bearing debt	interest-bearing debt / market capitalisation	<= 30%	Market capitalisation	Short- and long-term interest-bearing debt are included.
Interest-taking deposits	interest-taking deposits / market capitalisation	<= 30%	Market capitalisation	This is distinct from the debt test and from generic cash.
Prohibited income	prohibited income / total income	<= 5%	Total income	AqlVest does not replace total income with revenue.

Review cadence

Use the latest verified financial position and required market context; observe the conditions throughout participation or trading.

Missing-evidence behavior

Missing debt, deposit, prohibited-income, total-income, or market-capitalisation evidence prevents a complete result. Interpretive ambiguity remains manual review.

Purification boundary

SS21 describes eliminating the prohibited income attributable to the share. AqlVest explains that source concept but does not currently calculate a purification amount.

Official source:
https://aaoifi.com/wp-content/uploads/2020/08/SS-21-Financial-Paper-Shares-and-Bonds.pdf

06 - AUTHORITY

MSCI Islamic Index Series

MSCI maintains the methodology, which it states is approved by its independent Sharia advisory committee. AqlVest's public basis is the Total Assets index series.

Authority	MSCI
Version	December 2025; stable latest-methodology endpoint
Geographic scope	Eligible developed and emerging markets defined by MSCI
Typical use	Islamic equity-index construction and index-linked research

Business-screening gate

Direct activity in, or cumulative revenue above 5% from, MSCI-defined prohibited activities is excluded. MSCI's calculation includes prohibited-activity revenue and interest income over total income.

- Defined activities include alcohol, tobacco, pork, conventional financial services, defence and weapons, gambling, music, hotels, cinema, adult entertainment, and online dating services.

- Islamic financial institutions meeting MSCI's stated conditions receive specified treatment.

- Insufficient business or financial information is treated as non-compliant under MSCI's index methodology.

Authority boundary

This public AqlVest basis uses total assets. Do not mix its ratios with a different denominator or an internal analytical variant.

MSCI Islamic: financial rules and evidence

Check	Formula	Limit	Denominator	Implementation note
Total debt	debt excluding Shariah-compliant debt / total assets	Entry 30%; threshold 33.33%; exit 35%	Total assets	The exit buffer is subject to MSCI's four-quarter rolling-average conditions.
Cash and interest-bearing securities	cash and interest-bearing securities excluding Shariah-compliant instruments / total assets	Entry 30%; threshold 33.33%; exit 35%	Total assets	The exit buffer is subject to MSCI's four-quarter rolling-average conditions.
Receivables and cash	accounts receivable + cash / total assets	Entry 46%; threshold 70%	Total assets	No exit buffer is stated for this ratio.

Review cadence

Full business and financial reassessment is quarterly. Financial ratios average numerator and denominator data across the latest four reporting periods within the last year.

Missing-evidence behavior

MSCI treats securities without sufficient business or financial information as non-compliant. AqlVest separately preserves evidence availability and identifies when a stored MSCI output is unavailable.

Purification boundary

MSCI defines a dividend adjustment factor for its index calculations. AqlVest does not currently calculate or present investor purification amounts.

Official source:
https://www.msci.com/index/methodology/latest/Islamic

S&P Shariah Indices

S&P Dow Jones Indices owns the methodology and contracts Ratings Intelligence Partners, supported by a Shariah Supervisory Board, for Shariah screening input.

Authority	S&P Dow Jones Indices
Version	May 2026
Geographic scope	Global index universes governed by the applicable S&P underlying index
Typical use	Construction and maintenance of S&P Shariah indices

Business-screening gate

Published sector exclusions apply. A company may pass the level-one business screen only when non-permissible operating income plus all kinds of interest is less than 5% of total business income.

- Screened activities include defined non-Islamic advertising and media, alcohol, conventional financial services, gambling, pork, tobacco and vaping, specified cannabis, and deferred trading of gold or silver.
- The revenue operator is strictly less than 5%, not less than or equal to 5%.
- The latest available financial statement is used under the document's stated selection rules.

Authority boundary

Index eligibility, family-specific construction, buffers, and maintenance rules can affect index membership beyond the core company screens shown here.

12 - RULES

S&P Shariah: financial rules and evidence

Check	Formula	Limit	Denominator	Implementation note
Debt leverage	debt / 36-month average market value of equity	< 33%	36-month average market value of equity	The operator is strict. The denominator is not point-in-time market capitalisation or total assets.
Constituent buffer	base threshold + 2 percentage points	Three consecutive monthly breaches	Same required denominator	Previously compliant companies can remain within the buffer until three consecutive reviews; above the buffer is immediate non-compliance.

Review cadence

Underlying indices are screened monthly, with compliance changes applied on the schedule defined in the official methodology.

Missing-evidence behavior

A complete test requires the latest eligible statement, debt, and 36 monthly market-value observations. AqlVest does not substitute a different denominator.

Purification boundary

S&P publishes a dividend purification formula using non-permissible revenue over total income. AqlVest explains the official concept but does not currently calculate it.

Official source:
https://www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-shariah-indices.pdf

08 - AUTHORITY

Nifty Shariah

NSE Indices contracted Taqwaa Advisory and Shariah Investment Solutions (TASIS) to provide the Shariah screens and filter stocks.

Authority	NSE Indices with TASIS as Shariah screening partner
Version	January 2020
Geographic scope	India and the Nifty 50, Nifty 500, and Nifty Shariah 25 index contexts described in the document
Typical use	Shariah screening and maintenance of specified Nifty equity indices

Business-screening gate

Companies primarily involved in the document's prohibited activities are screened out before its financial tests.

- Defined exclusions include conventional financial services, non-halal food and beverages, alcohol, tobacco, vulgar entertainment, specified hotels and restaurants, gambling, and narcotics.

- The framework is designed for Indian index constituents and should not be described as a global index standard.

- Business classification precedes the three TASIS financial norms.

Authority boundary

The public document is dated January 2020. Users should open the official source and verify whether NSE Indices has issued a later replacement before relying on index-maintenance details.

Nifty Shariah: financial rules and evidence

Check	Formula	Limit	Denominator	Implementation note
Interest-based debt	interest-based debt / total assets	<= 25%	Total assets	The methodology describes this as a conservative TASIS norm.
Interest income and deemed return	interest income + 7.5% deemed return on interest-based investments / total income	<= 3%	Total income	The numerator is not plain interest income.
Receivables and cash	receivables + cash + bank balances / total assets	<= 90%	Total assets	All named numerator components are required.

Review cadence

Shariah-compliance screening is monthly; periodic index review is semi-annual under the January 2020 document.

Missing-evidence behavior

Missing Indian-company business evidence or any required numerator or denominator prevents a complete AqlVest result. US issuers are outside this index methodology's stated market context.

Purification boundary

The document states that investors purge the pro-rata interest-income portion. AqlVest explains that source concept but does not currently calculate a purification amount.

Official source:
https://www.niftyindices.com/Methodology/Method_Nifty_Shariah_Indices.pdf

Do not mix numerators or denominators

This compact map is educational. Apply the full official methodology, including business gates, data definitions, buffers, period selection, index eligibility, and governance.

Method	Check	Formula	Limit
Founder	Interest-income share	interest_income_total / total_income	<= official country inflation
Founder	Explicit prohibited other income	trusted prohibited_other_income	must not be > 0
Founder	Debt	disclosure only	No Founder threshold
AAOIFI SS21	Interest-bearing debt	interest-bearing debt / market capitalisation	<= 30%
AAOIFI SS21	Interest-taking deposits	interest-taking deposits / market capitalisation	<= 30%
AAOIFI SS21	Prohibited income	prohibited income / total income	<= 5%
MSCI Islamic	Total debt	debt excluding Shariah-compliant debt / total assets	Entry 30%; threshold 33.33%; exit 35%
MSCI Islamic	Cash and interest-bearing securities	cash and interest-bearing securities excluding Shariah-compliant instruments / total assets	Entry 30%; threshold 33.33%; exit 35%
MSCI Islamic	Receivables and cash	accounts receivable + cash / total assets	Entry 46%; threshold 70%
S&P Shariah	Debt leverage	debt / 36-month average market value of equity	< 33%
S&P Shariah	Constituent buffer	base threshold + 2 percentage points	Three consecutive monthly breaches
Nifty Shariah	Interest-based debt	interest-based debt / total assets	<= 25%
Nifty Shariah	Interest income and deemed return	interest income + 7.5% deemed return on interest-based investments / total income	<= 3%
Nifty Shariah	Receivables and cash	receivables + cash + bank balances / total assets	<= 90%

15 - WORKED EXAMPLE

Fictional company: Nura Systems plc

Nura Systems is a fictional industrial-technology company created only to demonstrate how methodology mechanics differ. Assume its identity, primary business, subsidiaries, and revenue attribution have been verified and pass each applicable business gate. Figures are in fictional currency units.

Total income	1,000
Interest income	20
Trusted explicit prohibited other income	0
Interest-bearing debt	240
Interest-taking deposits	100
Total assets	1,000
Cash and interest-bearing securities	250
Receivables plus cash	600
Market capitalisation	900
36-month average market value of equity	1,000
Interest-based investments	100
Matching country inflation	2.5%

Important assumption

For MSCI, treat Nura as a new candidate rather than an existing constituent. That makes the 46% receivables-and-cash entry buffer relevant. A different constituent history could change the index outcome.

16 - WORKED EXAMPLE

Calculation trace and divergent outcome

Method	Trace	Illustrative result
Founder	20 / 1,000 = 2.00% <= 2.50% inflation; explicit prohibited other income is 0; debt is disclosure only	Appears to pass the shown financial rules
AAOIFI SS21	Debt 240 / 900 = 26.67%; deposits 100 / 900 = 11.11%; prohibited income 20 / 1,000 = 2.00%	Passes the shown limits
MSCI Islamic	Debt 24%; cash/securities 25%; receivables plus cash 60%	Fails the 46% entry buffer for the fictional new candidate
S&P Shariah	Debt 240 / 1,000 = 24% < 33%; non-permissible income 20 / 1,000 = 2% < 5%	Passes the shown core screens
Nifty Shariah	Debt 24%; (20 + 7.5% x 100) / 1,000 = 2.75%; receivables plus cash 60%	Passes the shown limits if the company is in the applicable Indian index context

What caused the difference?

Not the company facts. The MSCI index-entry buffer used a different threshold and review context. This is why AqlVest keeps methodology labels and evidence lineage visible.

Purification is not an active AqlVest calculator

Several official external methodologies discuss purification or dividend adjustment. Their formulas belong to their respective authorities and contexts. The approved AqlVest Founder v2 specification marks purification inactive, and AqlVest does not currently calculate investor purification amounts for any public method.

What AqlVest may show

- That an official source contains a purification concept.
- The official source link and version used for research.
- Why a product output is unavailable instead of estimated.

What AqlVest must not do

- Transfer one authority's formula into another method.
- Estimate an unresolved mixed-business amount.
- Present an index dividend adjustment as personal religious guidance.
- Activate a Founder purification rule without approved versioning and tests.

Human review trigger	Unresolved mixed activity, interpretive ambiguity, unsupported classifications, or conflicting evidence must stop at qualified human review.

18 - EVIDENCE CHECKLIST

Before relying on a result

01	Company legal identity, ticker, exchange, issuer country, and reporting period are verified.
02	Sector and industry are evidence, not the sole classification.
03	Subsidiaries, owned entities, operating segments, and material revenue sources are traced.
04	The selected methodology and version are named.
05	Every required numerator and denominator comes from an eligible source and period.
06	The formula operator is exact: less than is not the same as less than or equal to.
07	Index-entry, constituent, rolling-average, and review-schedule conditions are considered where required.
08	Missing evidence, conflicts, and manual-review states remain visible.
09	The official source opens and the methodology has not been replaced since the research date.
10	The conclusion is phrased under the selected methodology, not as a fatwa or investment advice.

Official sources and research record

Research date: 2026-07-15. Open each source and confirm its current version before applying it.

AqlVest Founder Methodology

2.0-2026-07-15
output/pdf/aqlvest-founder-methodology.pdf

AAOIFI SS (21) Financial Paper (Shares and Bonds)

SS (21); official AAOIFI English document available from the current standard page
https://aaoifi.com/wp-content/uploads/2020/08/SS-21-Financial-Paper-Shares-and-Bonds.pdf

MSCI Islamic Index Series

December 2025; stable latest-methodology endpoint
https://www.msci.com/index/methodology/latest/Islamic

S&P Shariah Indices

May 2026
https://www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-shariah-indices.pdf

Nifty Shariah

January 2020
https://www.niftyindices.com/Methodology/Method_Nifty_Shariah_Indices.pdf

Founder inflation reference

U.S. Bureau of Labor Statistics CPI-U, U.S. city average, all items, not seasonally adjusted, annual average series CUUR0000SA0.
https://download.bls.gov/pub/time.series/cu/cu.data.1.AllItems
https://www.bls.gov/cpi/questions-and-answers.htm

Final disclaimer

AqlVest is an evidence-based research platform. It does not provide a fatwa, religious ruling, legal, tax, or investment advice. Methodology results depend on source quality, definitions, reporting periods, and governance. Verify official evidence and seek qualified guidance where needed.