

# **Design, qualification and Shariah governance of stock screening methodologies in selected Gulf Cooperation Council (GCC) countries in comparison with the United States**

## **ABSTRACT**

### **Purpose**

This paper aims to compare and analyse the aspects of *Shariah* screening methodologies within the selected Gulf Cooperation Council (GCC) countries as well as comparing the methodologies with the USA, and to examine how *Shariah* screening methodologies affect financing and investing activities of a firm.

### **Design/methodology/approach**

*Shariah* screening methodologies within the selected GCC countries and between the GCC countries and the USA are compared on the basis of the data collected from secondary sources.

### **Findings**

Design, qualification and *Shariah* governance set the *Shariah* screening methodologies within the GCC countries apart. Feasibility, duration, economic viability and funds required differentiate these *Shariah* screening methodologies between the GCC countries and the USA. *Shariah* screening methodologies implied in the USA is more stringent than in the GCC countries.

### **Research limitations/implications**

The suggestions in this study include using a longer research timeline, examining many more number of countries' *Shariah* screening methodologies and exploring other types of *Shariah* screening methodologies.

### **Practical implications**

The possibility of generalising the implementation of strict and uniform *Shariah* screening methodologies across all the country-specific *Shariah* indices amongst Muslim nations, globally, is likely to benefit all the Muslim countries, by strengthening the understanding, interaction and economic co-operation amongst these countries.

### **Social implications**

People's needs can be tended to if *Maqasid Al-Shariah* (objectives of *Shariah*) is achieved through flexibility, dynamism and creativity within the social policy.

### Originality/value

Aspects of *Shariah* screening methodologies are compared and contrasted within the selected GCC countries as well as between the GCC countries and the United States and the role of *Shariah* screening methodologies is examined in order to determine the extent of what is *Shariah*-Compliant and what is Non-*Shariah* Compliant for a firm.

**Keyword:** United States; Financing; Shariah; Investing; Gulf Cooperation Council (GCC) countries; Screening methodologies