

IFRS13. Key Definitions

Key Definitions:

- **Fair value**

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

- **Active market**

A market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis

- **Exit price**

The price that would be received to sell an asset or paid to transfer a liability

- **Highest and best use**

The use of a non-financial asset by market participants that would maximise the value of the asset or the group of assets and liabilities (e.g. a business) within which the asset would be used

- **Most advantageous market**

The market that maximizes the amount that would be received to sell the asset or minimizes the amount that would be paid to transfer the liability, after taking into account transaction costs and transport costs

- **Principal market**

The market with the greatest volume and level of activity for the asset or liability

REFERENCE:

Deloitte. IAS Plus
IFRS 13 Fair Value Measurement
December 12, 2013.

Retrieved from: <https://www.iasplus.com/en/standards/ifrs/ifrs13>