IFRS 13 at a glance

IFRS 13 Fair Value Measurement · one-page reference

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Fair value is an exit price: what would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (para 9). It uses the principal market where one exists (para 16) and is categorised by the lowest-level input that is significant to the whole measurement (para 73).

Topic	The question	The test	Reference	Where it shows
1 **Exit price**	**What is being measured?**	The price to sell the asset or transfer the liability in an orderly transaction; a forced sale is not orderly.	**para 9, App A**	Every fair value line
2 **Market**	**Which market sets the price?**	The principal market (greatest volume and level of activity), else the most advantageous one. Transport costs adjust the price; transaction costs do not.	**paras 16, 18, 25, 26**	Financial position
3 **Technique**	**How is the value built?**	Market, cost or income approach; observable inputs as far as possible, unobservable ones as little as possible.	**paras 61, 62**	Notes: technique and inputs
4 **Level**	**Which level of the hierarchy?**	The lowest-level input that is significant to the entire measurement; the hierarchy ranks inputs, not techniques.	**paras 72-74**	Hierarchy table
5 **Disclose**	**What must the note show?**	Techniques and inputs, the level by class, and for recurring Level 3: the reconciliation and the effect on profit or loss or OCI.	**paras 91, 93**	Notes

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