Facebook authorizes $6 bn share buyback

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Facebook's board of directors on Friday authorized spending as much as $6 billion to buy back shares in the leading social network.

The stock repurchase program would go into effect at the start of next year, potentially allowing Facebook to take advantage of a price dip triggered early this month by word that revenue growth will slow because the company has hit a limit on how many ads it can pack onto pages.

"The timing and actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions, and alternative investment opportunities," Facebook said in a filing with the US Securities and Exchange Commission.

The plan is part of Facebook's strategy to focus on long-term business growth, according to the filing.

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The share buyback could help soothe the hearts of investors after a tumultuous period for Facebook.

Shares tumbled early this month after the social network delivered a blockbuster quarterly earnings report, but also warned that its stunning growth is set to slow.

The company joined other large tech stocks in another tumble less than a week later because of worries about policy changes and protectionism under the administration of President-elect Donald Trump.

The social network then found itself at the center of a debate about whether it aided Trump's surprise victory by allowing false news stories to be shared unchecked.

Facebook also accidentally declared its founder Mark Zuckerberg and many other users dead this month, acknowledging—after fixing the problem—that it had committed a "terrible error" with a feature designed to memorialize accounts.

Facebook this week also said it is working to fix flaws in its metrics calculations that sometimes caused them to overestimate the social network's audience.

It was the second time in months that the company has acknowledged problems with assessing the reach of its content, a key factor for luring crucial advertising.

While Facebook has become a dominant player in online advertising and especially strong in mobile, it remains unclear whether the company can maintain momentum as it shifts into new areas such as virtual reality.