

# Overcoming Hurdles in RSU Disbursement

The Challenges Faced by  
Employer of Record Companies

THOUGHT LEADERSHIP

**GLOBAL  
EXPANSION**

A stylized illustration of a hand pointing upwards, with a bright blue line of light extending from the index finger towards the top right corner. The background is dark blue with abstract geometric shapes in lighter shades of blue.

# 01

## INTRODUCTION

Employer of Record (EOR) companies play a vital role in the global employment landscape. They streamline international talent acquisition and management by assuming legal responsibilities like payroll, taxes, and local labor law compliance.

This allows businesses to focus on core operations. However, when disbursing Restricted Stock Units (RSUs), EOR companies face complex challenges. This article explores these intricacies and their impact on employers and employees.

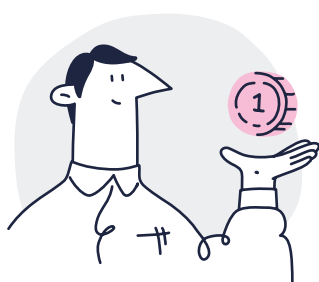


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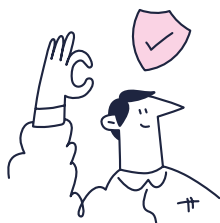
## UNDERSTANDING RESTRICTED STOCK UNITS (RSUS)

RSUs are a form of compensation granted in company shares that vest over time. This incentivizes employees and aligns their interests with the company's growth.

However, administering RSUs requires a deep understanding of financial regulations, tax implications, and equity management—a challenge for EOR companies managing diverse regulatory environments.



## THE KEY CHALLENGES IN RSU DISBURSEMENT



### Regulatory Complexities

Tax laws for equity compensation vary significantly. Some countries tax RSUs upon vesting, while others do so upon sale. EOR companies must manage these complexities and ensure compliance with local regulations, requiring a strong legal framework and an in-depth understanding of local laws.



### Currency Fluctuations and Financial Risks

The value of RSUs is tied to the company's share price, which can be volatile. This and currency fluctuations make financial planning and execution of RSU disbursements challenging. Due to these fluctuations, employees may receive less than expected, impacting their compensation satisfaction.



### Administrative Burdens

Efficient RSU administration requires meticulous record-keeping and managing vesting schedules. This includes tracking vesting periods for numerous employees across jurisdictions, calculating taxes, and ensuring timely share disbursement. The sheer scale of EOR operations makes this a daunting administrative task.



### Technological Limitations

Efficient RSU management needs sophisticated technology systems that handle complex calculations, multiple currencies, and fluctuating share prices. Developing or procuring such technology can be expensive and time-consuming. EOR companies often need help, hindering their ability to provide seamless RSU management services.

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## THE PATH FORWARD: A COLLABORATIVE APPROACH

Despite these challenges, EOR companies are essential in enabling businesses to offer RSUs as part of their global compensation packages.

**Addressing these hurdles requires a collaborative approach that involves:**



### **Tech Advancements:**

Investing in or developing technology systems designed explicitly for RSU disbursement across borders.



### **Strategic Partnerships:**

Collaborating with legal and financial experts to manage the complexities of international regulations and tax implications.



### **Ongoing Education:**

Continuously educating EOR staff on the evolving regulatory landscape of various countries.



### **Transparency with Employees:**

Maintaining transparency about the complexities and potential fluctuations in RSU value to manage expectations and ensure satisfaction.





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## CONCLUSION

While challenges exist, RSU disbursement by EOR companies remains valuable for attracting and retaining global talent.

As the market evolves, so will the strategies to overcome these hurdles, ensuring RSUs remain a practical component of global compensation packages.





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