

COMM 4150

1. Introduction & Problem Statement

1.1 Background: Hong Kong as Asia's Web3 Hub

Since the Hong Kong government released its Policy Declaration on the Development of Virtual Assets in October 2022 and subsequently implemented the Virtual Asset Trading Platform (VATP) licensing regime under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance in June 2023, the city has emerged as Asia's premier regulated cryptocurrency hub (Securities and Futures Commission [SFC], 2023).

The regulatory landscape has evolved rapidly. As of April 2025, the Securities and Futures Commission has issued ten VATP licenses. The November 2025 regulatory updates further liberalized the market by removing the 12-month track record requirement for professional investors and permitting shared global liquidity with overseas platforms. The August 2025 implementation of the Stablecoins Ordinance (Cap. 656) established Hong Kong as the first major jurisdiction to create a comprehensive stablecoin regulatory framework.

Key milestones in Hong Kong's Web3 development:

- the launch of Asia's first spot Bitcoin and Ethereum ETFs with staking capabilities
- the government's HK\$50 million allocation to support the Web3 ecosystem
- HashKey Group's historic Initial Public Offering on the Hong Kong Stock Exchange in December 2025 (stock code: [3887.HK](#))

1.2 HashKey Exchange: Market Leader with Compliance Credentials

HashKey Exchange has become Hong Kong's dominant cryptocurrency trading platform. It commands approximately 75% market share with spot trading volumes reaching HK\$1.3 trillion in 2025. This number is nearly three times compared to its competitor OSL. The exchange holds comprehensive regulatory licenses including Type 1 (dealing in securities), Type 7 (automated trading services), and VATP authorization under the AMLO.

Beyond trading, HashKey has built an extensive ecosystem that includes HK\$7.8 billion in assets under management, HK\$29 billion in staking assets (Asia's largest, ranking 8th globally), OTC services, secure custody solutions, and its proprietary HashKey Chain—an Ethereum Layer-2 blockchain. The group's strategic partnerships with over 40 licensed brokerages provide backend infrastructure, creating an 80:20 institutional-to-retail client split that distinguishes it from offshore competitors (FX Leaders, 2025).

1.3 The Trust Paradox: HashKey's Brand Challenge

Despite—or perhaps because of—HashKey's unparalleled compliance credentials, the exchange faces a unique brand positioning dilemma. Within the cryptocurrency ecosystem, a fundamental tension exists between "institutional trust" and "community trust" (Chen et al., 2023). HashKey excels in the former: SFC-licensed, bank-backed, IPO-validated, ISO 27001/27701 certified. However, this very compliance-centric identity creates friction with the cultural values that dominate cryptocurrency communities, particularly among younger demographics aged 18-35 (Auer et al., 2024).

Table 1: HashKey's Trust Paradox

Institutional Trust (HIGH)	Community Trust (LOW)
SFC-licensed, bank-backed	Perceived as 'safe but boring'
IPO on HKEX (3887.HK)	Limited meme culture presence
ISO 27001/27701 certified	No 'degen' appeal
Government-endorsed Web3 flagship	Perceived as 'Web2.5'
75% Hong Kong market share	Low community FOMO

Cryptocurrency's native culture is often characterized by the self-identifying term "degen" (derived from "degenerate," embraced as a badge of honor for risk-taking, early adoption, and anti-establishment values). This culture associates compliance with constraints and "Uncool" (Cong & Xiao, 2023). In this worldview, regulation means surveillance, institutional approval implies compromised ideals, and government endorsement suggests a betrayal of the decentralized ethos (Makarov & Schoar, 2022). HashKey is perceived as "safe but boring," "being regulated," "lacking privacy," and "lacking freedom." It offers a sense of security backed by government endorsement, but lacks the sense of belonging driven by memes and community. Younger users (18-35 years old) tend to prefer Binance/OKX or on-chain DEXs.

1.4 Research Questions

RQ1: What are the primary sentiment patterns and pain points among Hong Kong crypto communities regarding regulated exchanges?

RQ2: What communication strategies can bridge the gap between institutional trust and community trust for licensed exchanges?

RQ3: How can HashKey leverage Bitcoin Pizza Day to construct "institutional coolness" - bridging compliance with crypto-native culture?

1.5 Project Objectives

Bitcoin Pizza Day commemorates the first real-world Bitcoin transaction in 2010, when programmer Laszlo Hanyecz paid 10,000 BTC for two Papa John's pizzas. This cultural touchstone resonates deeply within cryptocurrency communities as a symbol of visionary risk-taking, early adoption, and the transformative potential of digital assets. HashKey needs to win over young people on this most "grassroots" of holidays, using a method that is "least like a banker." To design and propose a "Compliance Can Be Punk" campaign for Bitcoin Pizza Day 2026 that:

- (a) increases brand awareness among 18-35 HK youth,
- (b) repositions HashKey from "institutional" to "institutional + cool".

References

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