

This thesis deals with the issue of integration of stock markets in the European Union. Theoretical background explaining the importance of developed stock market for the economy and the benefits of stock market integration is followed by the analyses of integration barriers: legislative framework of European stock markets, high costs of cross-border trading and currency risk. It is shown that the current legislative process is able to create integrated European stock market, even if the problems concerning coordination of regulation and enforcement of the directives continue. High costs of cross-border trading remain an important barrier of stock market integration as well as the currency risk. Nevertheless this thesis verifies the hypothesis of forthcoming integration of European stock markets.