However, In US their major setback was corporate governance. It was not regarded by the US government until they suffered a loss due to dissolution and shut down of major companies during the duration of 2001 and 2002.

Moreover , The US government regarded corporate governance as important due to the drastic fall in price of shares, debenture and bonds some examples of these, notorious companies are Enron , world Com and other related companies.

In addition , some of the well known cases that enlightened the US government on corporate governance is A company facing series of different financial difficulties was dominated by a chief executive and a small number of other senior executives, They appeared to be doing the day-to-day running and managing of the business with their interest at hand, without concerning the shareholders.

And so , another case that pushed or should I say forced the US government to see the importance of corporate governance is when financial reporting was misleading.

Furthermore, another case that forced the US government to be full aware of the importance of corporate government is when the financial management controls were wet and inadequate to function effectively by preventing misleading, reporting and to prevent fraudulent activities by some of the executive mentors.

In conclusion, the US government finally saw reasons to involve new standards of corporate governance. The was the sarbanes -oxley Act 2002 , which was named after its two main sponsors in US Congress