After the decline of Rajarata civilization, the Kingdoms of the country shifted to the Southwest. Hereafter, locations were chosen as capitals based on defense. Yapahuwa was also such place which became the seat of rule for a brief period. The place at Yapahuwa was built on a rock which was situated in the middle of a valley. The only king who ruled from Yapahuwa was King Bhuvanekabahu I. However, his reign at Yapahuwa is noted in the history of Sri Lanka because of various relations with foreign countries.

The objective of this paper is to discuss the nature of foreign relations of Lanka during the Yapahuwa Period. Both Primary and Secondary Sources were used to gather relevant facts and information to achieve the assigned objective. In interpreting data, both literary and archaeological sources were used.

It is clear that Lanka had relation with South India, China and Egypt at the time. The nature of these relations varied and there were political, trade and religious relations.

When considering the South Indian invasions at the time, it can be said that the invasions was a continuation of previous such invasions to the island. However, as depicted by the architectural remains there were also cordial relations with foreign countries during this period.

Bhuvanekabahu I can be considered as a king who made an effort to develop foreign trade. This fact is very clear from his policy of continuing the trade activities with China which was initiated during the Anuradhapura Period. Lanka became a part of the international trade activities carriedout through the Indian Ocean. This had affected positively to Lankan economy.

**Key words:** Foreign relations, Sri Lanka, Yapahuwa kingdom, Bhuvanekabahu I